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CONTENTS

 [III - NE & A - 120]

OFFICIAL, PARALLEL, UNDERGROUND WEST AFRICA TRADE NETWORKS

Paris POLITIQUE AFRICAINE in French Mar 83 pp 29-51

[Article by O.J. Igue]

[Text] You don't hear so much as you used to about trade these days, in spite of the way it is changing and of concerns over regional integration. The currently "in" topics most widely discussed outside West Africa have to do with agriculture, galloping urbanization, worker migration and, more generally, the entire tangle of intractable problems involved in development. A few outdated books on commerce and a handful of contemporary publications offer us several choices: modern trade and commerce, controlled by the state or by huge trading companies dating back to colonial times (1); traditional trade, conducted by the Africans themselves as part of the traditional markets (2); and illegal or underground trade conducted all along the frontiers of the "nation-states," which have become the vital transfer point of the present-day trade system rooted in the cities and of the traditional trade routes largely controlled by the rural world (3).

I should like to suggest a new approach that would break out of the hermetic sectorization of trading activities by seeking to integrate its manifold aspects. Integration emerges as basic to get a better grip on the problems raised by the growth of the tertiary sector in West Africa; the fact is that the modern sector, which is the prime target for intervention by governments, cannot come to full flowering without the input of the underground networks and the traditional markets through which merchandise is delivered. To do this, we think it would be enlightening to go back in history a way, and see how we got to the situation we have today.

Pre-Colonial Trade

Trade practices in West Africa before the colonial era were crucial to the sub-region's economic future. Without looking into them I think it would be impossible to arrive at a proper solution to the problems involved with regional integration at the sub-regional level, because West Africa prior to that era had been a

single market where the issue of economic space, of complementary resources, of harmonization of customs levies, of the circulation of goods and people -- much less the manner of payment -- hardly existed.

Actually, prior to the colonial conquest, all of West Africa was run by major political entities such as the Empire of Ghana, Mali, or Songhay. The latter was supreme in almost the entire area covered in our time by the West African Economic Community (CEAO), with the exception of the forested portion of Ivory Coast.

After the fall of these empires, several kingdoms moved into the breach: some of these kingdoms were smaller in size and in population than our latter-day "nation-states." Despite their diminutive size and population, they never had to cope with the thorny problem of economic territory.Everybody enjoyed the advantages of open, dynamic, and thriving trade. It was well organized, and was based to a large extent on regional "fits" between products traded.

Its Organization

From the organizational point of view, we can say that there were three types of trading activity.

Local trade took place at the village and urban levels. Its sphere of influence rarely went beyond the boundaries of principalities and kingdoms. It was conducted mainly in marketplaces where people brought their farm produce, a few manufactured articles, and especially such imported necessities as salt, potash, spices, etc. These markets were open every day and sometimes at night, as is the case with the Yoruba. They became seasonal only when they began to draw attendance from neighboring jurisdictions, meaning that they were reaching out to areas larger than the village or town in which they were held. These local markets, aside from their economic function (distributing everyday consumer goods) also served as a forum for cultural activities. They facilitated the spread of news within the village, town, and even county community. They were, par excellence, the gathering places and the setting for social integration.

Inter-Regional Trade

This involved a far-flung system of caravan routes running from North to South and from East to West, which became major travel arteries whose traffic density and length far surpassed the present-day highway system: there were many turnoffs and connectors which converged on a number of regional marketplaces that became distribution centers for the exchange of agricultural and manufactured products obtained through international trading.

International Trade

This consisted of Trans-Saharan trade (linking the great empires to the Mediterranean whose principal markets were the cities on the rim of the Sahara, such as Timbuctu, Djenné, Gao, Agadès...) trade with the European agents along the coast between Europe and the political powers of the forests -- Cape Coast, El Mina, Axim (today's Ghana), Gorée (Senegal), Ouidah (now Benin), or Bagadry (Nigeria). Between the two were points of contact ranged along the fringe of the forests. Most of these contact points were big transshipment markets, which subsequently evolved into cities: Salaga, Kintampo, Atebubu (now Ghana), Boundoukou, Bouna, Kong (today's Ivory Coast), Bobodiolasso (Upper Volta), Sansanne-Mango (Togo), Djoukou-Parakou (Benin), Boussa, Bida (Nigeria). Their presence facilitated the circulation of all sorts of products throughout the sub-region.

Products Traded

There were a great many of hem, some from the farm -- both animal and crafts -- which clearly complemented one another. The Sahel portion of Sudan produced salt at Tegazza,in the desert, and at Awlil on the Senegal River; perfumes and dyestuffs made from gum Arabic; textiles (Djenné, Kano), gold (Bouré, Bambouk), and copper (Adjout, Aïr, Tessali). This Sudan-Sahel region, quite apart from the products it offered, also acted as a transfer point for the extra-regional trade with the Arab countries and for the entire Mediterranean Basin. The central region, lying between the 7th and 11th parallels North, between the cities of Zaria (Nigeria) and Abomey (Benin), supplied the region's needs for indigo (for dyeing), Karite butter, textiles (among them the most celebrated were the "Aso-Oke" from Iseyin, and "Adire" from Abeokuta), iron mined in the Gourma (Upper Volta) and refined in the blast furnaces that could process 500 to 1,000 tons of pure iron -- and those furnaces were to be found nearly everywhere: Odienne (Ivory Coast), Silla, Niani, Banjeli in Bassari country (Togo), etc. -- copper, particularly that from Lanta where the fine work done with that metal was one of the wonders of the city of Abomey. This central region also served as a point of contact between the forest area and the Sudan-Sahel. The forested region, running inland from the sea to the 7th parallel North, was important becaused it produced salt (at Keta and Djegbadji), cola (Yoruba and Ashanti country), gold (Ashanti), ivory (Agni country and Edo country in Nigeria) and beads (Ilé-Ifé in Nigeria).

The kinds of products offered by the zone clearly display a regional compatibility, They also indicate the mastery of a number of technologies (mining and refining gold, iron, and copper, extracting and refining salt, manufacturing beads, etc.). Each of these technologies was developed and spread by corporations, among them a number of families that became particularly famous (such as the Hountondji at Abomey).

It should be remembered, finally, that international trade was centered on the exchange of local products for cheap trinkets from Europe or from the Mediterranean Basin. From the Arab countries came oriental rugs, porcelain, and spices, to trade for gold and kola; from Europe came alcohol, tobacco, trade rifles and gunpowder, to trade for gold, ivory, and ebony.

These European products were traded at Portuguese, Dutch, English and French posts: Maison Regis of Marseille, Maison Renhard, the Williamson, Cook, and Lucas chains on the British side. They were active all along the coast, while the interior was wholly controlled by African traders.

The Pre-Colonial Masters of Trade

There were three major ethnic groups involved in the African trade system: the Mande, the Housa, and the Yoruba.

The Mande were divided into three sub-groups: the Dioula, the Wangara, and the Dendi. The Dioula group operated mainly in Upper Volta and present-day Ivory Coast, where they controlled the trade in kola and gold, which they bartered for salt in the Bunduku, Buna, and Kong areas. The Wangara had settled in Ashanti country around Kintampo and Atebubu, where they, too, dealt in kola and gold. As for the Dendi, they stayed mainly to the East where they established the settlements of Kandi and Djugu in what is now Benin. They were active in organizing the markets, and offered accommodations for the caravans.

The Haussa, originally from northern Nigeria, controlled all trade in kola from Nigeria as far as present-day Ghana. They settled in markets located on the fringe of the forests, places like Kintampo, Salaga, Kishi, and Ilorin, where they waited for shipments of Yoruba and Ashanti products. They traded kola for products from the Arab world.

The Yoruba controlled the entire West African market through their dealings in textiles from Isayin and Abeokuta, while they dealt in kola on the side.

These merchants moved about on foot, on horseback, camel-back, and driving donkeys; the voyages were made in caravans, a traveling market that could include as many as 500 people or more. These caravans moved freely from one region to another, and from country to country. They were protected on their journeys by the local traditional authorities, who in turn derived some of their income from toll-charges and from gifts in money or in kind.

Instruments of Payment

Barter was very little used, despite what we hear and read. It had to do essentially with precious goods or those vital to local populations (salt, textiles, and horses). There were, even so,

standards for regulating this barter economy: barrels of salt, specific lengths of textiles, etc.

In addition to barter, there were three major currencies in circulation: the "vanille," cowrie shells, and gold. The vanille is an iron rod used locally in the southern part of present-day Ivory Coast and in the Niger Delta in Nigeria. The cowrie is an inter-regional currency, which we might call an intra-community currency. So great was its importance in the sub-region that it lives on in expressions commonly used today by the populations. For example, the Yoruba in Nigeria and the Fon in Benin call 1,000 CFA francs "Apokan" or "Shaki-Dopo," meaning a bag of cowrie shells. To handle the cowrie, there were efficient deposit banks operated by certain families, which worked about the same way as modern-day banks. They earned their owners huge fortunes.

Gold was used only for foreign trade. It was used as currency in a number of ways: in the form of dust, or in bars; and then there were coins. For this purpose, the Sudan-Sahel zone had developed a coinage system based in Tadmekka. The mint there struck gold dinar, familiar throughout the Arab world.

The existence of these various instruments of payment enabled West Africa to cope handily with all the problems involved in foreign transactions. To get around problems linked with handling money (problems of confidence, problems of the weight of cowries and of the time it took to count them, etc.), three types of currency were developed: local, regional, and international. The existence of these gradations is reminiscent of the monetary problems the socialist countries experienced. In any case, it is a good illustration of the Africans' mastery of monetary technologies in those days. Their experience provides many precedents that could help in solving the problems raised in our time by economic integration policies.

The trade system just described operated from the 9th to the 19th century. Local trade enabled the people in a single town to become part of their world, their everyday life patterns. And so in the villages and towns of those days, everybody -- to all intents and purposes -- knew everybody else. These advantages, though, were nothing when compared with those derived from inter-regional or international trade.

Viewed from this angle, inter-regional trade emerges as one of the finest examples of economic, ethnic, and cultural integration. At the economic level, there was no restraint imposed on trade by customs or monetary restrictions. Products made in Kano, such as textiles, were available as far away as Fouta-Djallon in modern Guinea. The kola grown in Bete, Agni, or Shanti country could travel as far as the shores of Lake Chad. At the ethnic level, the towns and cities of the central belt, between the 8th and 9th parallels North, were founded mainly by the mingling of foreign

merchant communities with local populations who made their living by tilling the soil, for the most part. Kong, for example, was founded by Dulas in Senufo territory, Djugu by the Dendi in Yowa country. The driving energy of Buna, originally a Kulango town, was the gift of the Diula merchants. There was complete understanding between the local people and the foreigners; the foreign-born merchant class lent its material support to maintain the local chiefs in their positions. And finally, the trading cities were also centers for cultural transplants: linguistic at first, and religious thereafter. Through them, the local populations of those times were polyglot to a degree, an indispensable condition for effective integration of an enormous whole. At the international level, the trans-Saharan trade encouraged the growth of merchant cities in contact with the Sahara; it fostered the emergence of a merchant and intellectual elite, and hastened the Islamization of Africa. Many an ancient trading post gave birth to a generation of cities like Accra, Cape-Coast, Saint-Louis du Senegal, Ouidah, etc. Inside those cities, the formation of an elite was crucial to the evolution of the coastal societies all through the colonial era.

Commerce During Colonization

In the course of colonization came the death of the caravan trade, an increase in trading posts set up by European traders within the territorial boundaries drawn in the colonial partition process, and the development of the parallel system, with the local populations reacting against the cutoff of the caravan trade as a result of the rigidity of closed frontiers and the new trading laws enacted in the colonies.

The Death of the Caravans

The allocation of colonies to the various European powers consummated in Berlin in 1885 led to a number of changes in Africa. For one thing, the West African economic space was broken up into 16 territories belonging to four colonial powers: France, Britain, Germany, and Portugal. Apart from the French sphere of influence which, thanks to its size, could make itself into a vast market, the other colonies, with the exception of Nigeria, turned into fragile economic spaces. The purpose of colonization, however, was hardly that of establishing economic arrangements that would work for the Africans; and so the anc[illegible] trade structure was swiftly challenged by the creation of [illegible] roads running from South to North, whose sole purpose was to tap and carry off the products of the interior (the Dakar-Niger, Abidjan-Niger, and Benin-Niger systems). These new routes took no account whatsoever of those created and maintained in the pre-colonial trade system. The creation of new currencies to replace the vanille, the cowrie, and gold (the latter having become one of the prime interests of the colonization process) gave rise to the disparity in customs rules and the price differentials between primary products of

local origin or manufacture and imported goods in line with the economic policy of each of the colonial powers. And so it came about that the free exchange market that had thrived in West Africa was replaced by one of economic zones, all the levers of whose machinery were pushed or pulled in Europe.

One of the consequences of this state of affairs was the ruin of the ancient cities born of the Trans-Saharan trade -- places like Timbuktu, Djenne, Gao -- or those which served them as stopovers and had been founded as contact points with the forest-savannah: Kong, Buna, Kintampo, Salaga, etc..

The rigidity of closed borders set up a major obstacle to the circulation of people and goods. The only displacement permitted was that within a specific colonial space; outside that space, any movement of people or merchandise was subject to issuance of a visa, presentation of identification, and, for products, payment of customs duties. This situation was made even more difficult for people to live with because the Berlin Conference had allowed the map-makers to split up a single ethnic group among several different colonial powers.

All these constraints were perceived as mandatory in strengthening the trading economy that had taken root with the establishment of the early trading posts.

Strengthening the Trading Economy

The ruination of the caravan trade left the field wide open to the imperialist power to structure trade practices as it saw fit.

And so we saw the emergence in the place of the ancient merchant communities controlled by the Mande, the Haussa, and the Yoruba, of huge trading companies set up for more thorough exploitation of the colonies. There were a lot of these companies, and they were very powerful indeed: the French Company of West Africa (CFAO), the West African Trading Company (SCOA), United Africa Company (UAC), John Holt... Some of them held monopolies over certain goods and operated within clearly defined regions which might be confined to a specific territory or encompass an entire sub-region.

Their operations were controlled to a degree by the presence of brokerage groups able to handle forwarding of products from the bush to the town. In this connection, the trading companies found powerful forwarders among the Levantines, whose role was crucial in the development of the trading economy during the colonial era (4). Along with the Syrians and Lebanese, there were a few African merchants who played the same role; they were to be found primarily among the light-skinned native elites who were the descendants of Black-White contacts in the days of the slave trade.

Be that as it may, the presence of these trading companies encouraged the spread of plantation agriculture, tailored to regional growing conditions (peanuts, cotton, cacao, coffee, or oil palm). The introduction and development of these commercial crops perforce had immense impact on the future of the colonies, which thus became appendages to the mother country as markets for manufactured products and as sources of raw materials (5).

In short, the growth and spread of the trading economy worked a profound transformation on the structure of trade in West Africa. Alongside and against a highly structured official sector arose an informal structure, no less structured, but beyond the reach of the authorities.

Growth of the Parallel Trade Network

This parallel commerce was nothing more nor less than the latter-day trade network developed by the ancient trading communities of the age of caravans, whose activities had been crippled by the new laws of the colonial economy. As reactions, they were not merely predictable, but desirable, insofar as the trading economy had never taken the vital interests of the local populations into account. One need only recollect that the distribution circuits set up during the colonization process relied solely on the main channels of communication. Even so, this parallel trade was to be subjected to every conceivable kind of repression. However, the stronger the repressive measures, the more devious the organizing methods of the parallel circuit became, and the more its impact became visible in the village societies so ill-served by the official channels. This organization can be assessed at four levels: the outbound routes, the means of transport, the intermediaries (meaning the liaison agents who acted as forwarders in the shipment and delivery of goods), and the distribution networks.

The outbound routes were overland tracks laid out and controlled by the merchants, the waterways, and -- very occasionally -- the official routes. The means of transport consisted mainly of human bearers, animals, two-wheeled carts, and dugouts when there were waterways available. The brokers fell into two categories: those who had been trained by the companies in "smuggling" and were paid for "smuggling," and the spies recruited by the customs service, who promptly lent their services to the smugglers. As for the distribution systems, they involved the natural allies of the merchants, first of all; these people were to be found among the African retailers or the Levantines who had moved into the cities as hotelkeepers, owners of bars and restaurants, dancehalls, or nightclubs. They were interested mainly in contraband liquor and cigarettes. Paradoxically, some trading companies would even solicit the help of the parallel system so as to obtain certain farm products when they could not get control of the areas in which they were grown. That happened with the trading companies set up in Togo to deal in the cacao grown in Ghana, or the others set up in Gambia to buy Senegalese peanuts.

There were also some small retail merchants who, in order to compete with the big department stores, relied on contraband products which cost them a lot less -- and which they could sell for a lot less to thrifty housewives.

And lastly, the smugglers' uncontested domain was the traditional market. There were two types of such markets: the village markets and those in the exurbs which were part of the pre-colonial economic structures, and the border markets created and spurred by the corruption so rife in countries colonized by different foreign states whose economic organizations offered disparate advantages. These border markets replaced, in a way, the towns born of pre-colonial trade which, because they happened to lie within the same colonial enclave, could no longer take an active part in the parallel trade. We see the same ethnic groups (Mande Haussa, and Yoruba) cropping up again in these border markets -- the same people who had endowed the caravan trade in the sub-region with its dynamic energy from the 19th to the 19th century. This time they were moving in on two systems: the long-distance and the local.

The local circuit affected only the border regions, and it centered on better retail distribution of the merchandise brought in by the big trading companies operating under different sets of laws on either side of the border; what this meant was trade rifles from the British colonies, along with gunpowder, enameled products, and trinkets which would be shipped to French territories in exchange for wines and liquors, cigarettes, and tobacco, both tightly rationed by the British in the areas they administered.

The long-distance trade involved long journeys along the ancient camel-tracks. The countries active in it were Ivory Coast and Mali, on one side, and Nigeria, Niger, and Ghana on the other. Ivory Coast merchants sent shipments of imported textiles to Ghana, along with kola and smoked fish, in exchange for cattle.

From Nigeria, they shipped textiles woven in Haussa and Yoruba country, to be traded for gold and kola, etc. The demands of this long-distance parallel trade involved the growth of nerchant voyages along with wholesale migrations of farm workers.

To sum up: the growth of the underground trade relied on the fragmentation of the sub-region into four zones with differing advantages. Smuggling thus came to be seen as a phenomenon whose mission was to level out the regional disparities created by colonial partition. Hence the trade situation during the colonial era was marked by a degree of dualism by the presence of an informal and clandestine structure operating side by side with another modern and official structure. This dualistic pattern was to persist and expand even after the colonies achieved independence.

Trade Since Independence

Commercial activity these days is governed to some extent by the changes that have come about since independence in trading and in currency rules, and as a result of regional integration policy.

Growth and Change in Trade Structures Inherited from Colonialism

The way the trade structures have thriven is illustrated by the strong ascendancy of the old trading companies, whose activities have branched out and diversified. Many of them have allowed African nationals to purchase their stock. Others are reinvesting a portion of their profits in the farm economy, now that African leaders have upgraded it as a key factor in development. Still others are using these profits to create light processing industry. This development is most remarkable in Nigeria and Ivory Coast, where subsidiaries of the Unilever Corporation have contributed greatly to the development of the palm-oil industry. And,especially in the Ivory Coast, many of the old trading companies have adapted to present-day exigencies by helping to create the Commercial Action Program (PAC) designed to modernize and "Ivoryize" the distribution system that was wholly controlled by the foreign traders during the colonial era.

Despite these developments, most countries have deemed it necessary to go further in transforming these economic domination structures. The transformation is evidenced in the emergence of a state trading sector with a mixed economy structure, and the development of an official African sector.

The state sector is concerned primarily with control of exports of the principal products which are the skeleton of the national wealth, but do not confine themselves solely to exports of farm products; they also affect the import-export trade; government, by recovering its monopoly over some of the commodities that brought profits to the old trading companies, now controls the overall food sector. (6)

The existence of all these state-owned companies which reflect a deep political will to independence poses other problems with respect to the currency situation, as we shall see later. It was to obviate some of these difficulties that the mixed econmy sector emerged. Mixed economy companies are primarily concerned with the management of trade infrastructures: ports, airports, transit and forwarding companies, etc. In some countries, like Senegal or Ivory Coast, where the ascendancy of capitalism is most marked, agriculture, too, is part of this mixed economy area.

Whether they be wholly state-owned or mixed economy corporations, their sound operations are governed by widespread African participation in trading activities, particularly in the domain of

distribution. The growth of this African sector is rooted in the emergence of the state-owned corporations, in the restriction of the monopoly on imports enjoyed by the old colonial companies, and on the opening of African markets to all Europe, to America, and above all, to the Far East.

There are two groups involved in trade at the African level: the Levantines, most of whom have adopted the nationality of the countries in which they operate, concentrate on sales of textiles, groceries, and household appliances; the indigenous Africans dominate the retail trade, lacking the large amounts of capital required to engage in the import-export trade. This makes them the privileged agents of the state-owned corporations and of the old trading companies, whose import volume they help to swell. However, in some countries like Nigeria, Togo, Benin and, to a lesser degree, Nigeria, there are some Africans, mainly large operators in the parallel economy, now engaged in importing and selling. They bring in almost the same products as the official companies, from whom they buy the monopoly if that proves necessary. Only in Benin and Nigeria do they totally control such new sectors as Swiss- and Austrian-made lace, jewelry from France, Germany, and Italy, silk prints from the Far East, and second-hand clothes which they import from the United States and the Netherlands. All these products, incidentally, are generally shipped abroad through the clandestine channels.

The biggest innovation in African trade is to be found on the one hand in the high participation of women and, on the other, the gradual shift from European markets to the Far East. The only thing that makes this trend possible is the monetary situation.

The Monetary Situation

There are two kinds of currency in the sub-region: convertible, and non-convertible (the Nigerian Naîra, the Ghanian Nouveau Cedi, the Gambian Dalasi, Sierra Leone's Leone, Guinea's Silly, Cape Verde's Escudo, and Mauritania's Uguiya).

The convertible currencies are issued, for the most part, within an association known as the West African Currency Union (UMOA), or by members of a monetary zone in the strict sense of the term (the franc zone). These are the African Financial Zone (CFA) franc, the Mali franc, and the Liberian dollar.

The advantages of CFA and Mali francs lie in the fact that both currencies are part of the great franc zone, guaranteed by France. As a result, they are freely convertible vis-à-vis the French franc. These currencies can even circulate freely throughout the entire French-guaranteed monetary zone, including the Central African states (Gabon, Cameroon, Congo, Chad, and the Central African Republic). Not only does this situation increase the purchasing power of the CFA and Mali francs; it also endows them with a degree of international monetary credibility, no matter what the

economic status of the individual member states in the system may be. The Liberian dollar enjoys the same advantages.

In addition to the convertible currencies in the franc and dollar zones, there is a group of states which, for reasons of political sovereignty, have chosen complete monetary independence. The desire to have non-convertible currencies is based on the policy of limiting transfers of funds to other countries, near or far, to encourage thrift within the country, to exercise tight control over the privately owned trading companies, and to keep a rein on credit available for industrial production and for trading activities so as to stimulate development.

From the viewpoint of regional trade, non-convertibility displays a great many drawbacks: excessive limitations on international transactions out of a concern with the balance of payments in the absence of any reliable influx of foreign currencies, hindering official trade among the states of the sub-region owing to the difficulties of settlement (these bottlenecks in official trade are one of the factors in the growth of smuggling), and the creation of a chronic state of indebtedness which, in the long run, bankrupts the state-owned corporations. Guinea's experience is rich in object lessons (7). Lastly, the survival of a state is guaranteed only by the expansion of parallel trade.

In short, the monetary situation prevailing now in West Africa splits this region into 11 monetary zones, rather than the four there were during the colonial period. That means that, on the trade level, Africa is managed through fragile economic spaces. The paralysis that stems from this is the graver in that any action taken at the official level to encourage trade runs up against the currency contradictions.

The situation is all the more critical in that, at the global level, we are going through a decline in production, especially in agriculture, which is everywhere in disarray because of the deterioration in the terms of exchange. This decline in farm production entails the dependency of all the countries in the sub-region upon the great powers for their food. Aside from the increase in tonnage of foods which traditionally were imported only in small quantities, such as rice and wheat, corn and millet are now appearing on the list of imports. Most of the hard currency earned from sales of raw materials is spent nowadays in countries like Guinea, Ghana, and Nigeria to pay for food purchased abroad.

This situation, on top of the fragility of the currency, forces all the countries with non-convertible currencies to set up controls on trade and thereby to paralyze the commercial sector while everybody goes on talking about regional integration.

The Politics of Regional Integration

Given the obvious balkanization of trade that has been going on ever since colonization, it is to fight this phenomenon so prejudicial to any efforts at development that regional integration has become more than a mere need in our time: it is an absolute necessity. The purpose here is not to describe the various institutions. It is merely to demonstrate that their existence theoretically brings the number of trade zones begotten by the monetary situation down from 11 to three. Better yet: the West African Economic Community (CEAO) and the Economic Community of West African States (CEDEAO) constitute very promising economic spaces.

The CEAO has the advantage of embracing states which speak the same language, have the same convertible currency (always excepting Mauritania), and share a common geographical and historical environment (8). On its side, the CEDEAO extends over 6,081,000 square kilometers, has 140 million inhabitants, and boasts major economic resources based on oil, iron, bauxite, cacao, palm oil, etc.

Above and beyond these obvious advantages, though, there are also some contradictions creating all the conditions that lead straight to paralysis in trade: the monetary situation, which hitherto has seen no regulation at all, the time suggested for removing customs obstacles to free trade, the disparate political choices made by states in order to encourage growth in dissimilar economic structures. And finally, there is the very existence of a large community in which sub-communities have grown up (the Mano River Union on top of the CEAO) blatantly demonstrating the impact of these policy conflicts. The result is a degree of divergence in the process of freeing trade at the level of the three disparate patterns of integration, and hence of non-identical trade advantages.

Out of all these problems, practical solutions are contemplated only for the monetary situation, where, owing to the existence of 11 different currencies, a clearing-house in Freetown, Sierra Leone, was set up in 1976. This clearing-house, far from being the "great event" described by Desneuf (9), itself poses enormous problems having to do with the effective control of commercial banks operating in Africa. The problem is to pinpoint which power available to the political leaders, most of whom are in thrall to the same capitalist interests, have the authority to demand that these foreign-owned financial institutions process their clients' records through Freetown rather than through London, New York, or Paris. Aside from this political aspect, the sluggishness with which orders are carried out between English-speaking and French-speaking countries is one of the biggest hassels to which dealers are subject. Lastly, in addition to these obstacles which one might style "visible," there are unseen barriers as well, which will never be removed , even if the day comes when we achieve perfect integration. Among them we might

cite the barriers to free circulation of goods which guarantee security to the food supply, such as basic produce. Today, for example, despite the progress already achieved by the CEAO and CEDEAO (10), Benin arbitrarily halts exports of corn, millet, yams, and manioc and/or their derivatives. Togo does the same for its produce, including fruits and vegetables, as does Niger on exports of cattle and sheep. While these various measures are dictated by a concern with ensuring the domestic food supply, they are unfortunately often taken on the basis of a routine alert which does not reflect the surplus production situation in some regions of the country. The result is a somewhat seasonal pattern of stagnation in agriculture, aggravated by the lack of proper storage facilities and by the absence of national integration as the result of utterly inadequate transport infrastructures.

In short, West Africa's trading structures have undergone a good many changes since independence. Unfortunately, these changes are still paralyzed by lingering aftermath of colonialism. And the clear consequence is that very dualism of these structures which led to the birth of the non-official circuits in the first place.

Growth of Clandestine Trade Related to Regional Integration Policies

The underground trade system born of the colonial era has grown with the advent of independence. Its spread is the result of the retention of boundaries inherited from colonialism, the continuation of customs barriers, and the emergence, following the liberation of the colonies, of several monetary systems. This underground traffic is conducted both by traditional merchant-traders and by migrant workers whose numbers are staggering in the coastal regions most favored in the neocolonial development process, as well as by states with few resources via their re-export-based trading system. And finally, regional integration policies that have found no workable solution to the problem of commercial comparmentalization have actually achieved little except to expand the preferential tariff zones. Even within a single tariff zone, we see disparities which affect the price of products to consumers. This disparity has to do with the size of the country, its natural resources, the cost of production factors, and the degree of initiative of its citizens. In this context, the Nigerian and Ivory Coast markets offer advantages greater than those of the other CEDEAO states.

The disparity in tariff rates, furthermore, is no longer the crucial element in the increase in smuggling. The key factor in its increase nowadays is monetary. All the countries with non-convertible currencies find themselves at a disadvantage vis-à-vis those whose currency has exchange value beyond their borders: put more bluntly, the CFA franc is now the soundest and most sought-after currency in the region, despite the vigor of the Nigerian economy

compared with that of most UMOA member states. The advantages of this currency stem from its free circulation, not only inside the UMOA states, but also in the French-speaking states of Central Africa and all over Europe through the French franc. This advantageous position means that it commands a very high exchange rate on the parallel circuit.

The emergence of this parallel money market has become a necessity for traders and even for tourists in avoiding the complications of non-convertibility imposed by the disparate monetary policies in the sub-region. This currency exchange market works in much the same way as bank teller windows: when you have currency to sell, the rate is lower, and when you want to buy it, the rate is higher. The difference between the two rates ranges between 10 and 50 francs according to the currency's parity and with supply and demand. These parallel exchange operations are to be found almost everywhere in West Africa: in border-town money-shops, in the border marketplaces, and in the larger cities.

Thus, between the Entente Council countries and Ghana, we can cite the Aflao-Lome posts on the Togo side, Kpalime and Badou on the Upper Volta side, the Pô village where there are three currency exchanges and, on the Ivory Coast side, Suyanni, Assini, and Sanwi-Wharf. Inside Ghana itself, you can exchange the new Cedi for the CFA franc in Accra, in Kumassi, and at Tamale.

There is some slight disparity in rates among these markets, primarily reflecting the size of trade transactions: between Upper Volta and Ghana, the New Cedi was worth 30 CFA francs in 1981, while it was officially quoted at 90 CFA francs. In Togo, its value runs on the order of 25 CFA francs. That is a very low rate, and it is tantamount to something like a 70-percent loss in the purchasing power of the Cedi.

Between Nigeria's Naïra and the CFA franc, the situation is not quite so catastrophic. Its rate is all but identical along the whole of Nigeria's border, although there are countless exchange shops. The Naïra at the end of 1981 brought 300 CFA francs, although the official exchange rate for that currency was 447 CFA francs. Right now, the Naïra is not doing so well on the parallel market, owing to economic measures adopted by the government in April 1982 to restrain imports and re-establish control over currency exchanges. Thus from January to October 1982, the rate of exchange dropped from 300 to 275 CFA francs, while at the Central Bank of Nigeria the rate was going up from 447 to 525 CFA francs. The Naïra thus lost around 45 percent of its value against the CFA franc.

One could go on citing examples like this by looking at the shape other currencies, such as the Guinean Silly, the Gambian Dalasi, or Sierra Leone's Sierra are in. The situation would be nearly identical: all these currencies are undergoing a drop in parity

ranging from 45 to 80 percent vis-à-vis the CFA franc, which is overvalued domestically despite its real depreciation on the international level.

This decline in the value of non-convertible currencies in relation to the CFA franc is a powerful factor in the growth of illicit trading. It puts citizens of the UMUOA countries at a distinct advantage , no matter what the customs rate in effect may be or the state of the buyer's market in the closed-money states. Currency is not only the medium of payment in illegal dealings, but it is also in the process of becoming the principal agent in the system. Abolition of customs barriers as contemplated in regional integration plans under study up to now no longer means much in this dualist monetary situation. It is out of awareness of this situation that certain countries with few natural resources have officially become smuggling states, basing their tax structure on re-export trade policy.

Movement and Kinds of Bootleg Merchandise

The commodities involved in smuggling are widely varied, and they go through several movements whose direction changes according to the socio-economic situation in a given state at the moment.

Generally speaking, these transfers have kept the same flow patterns that prevailed during the colonial past: North-South-North, and East-West-East. On both these circuits now there are both permanent and semi-permanent exchanges.

Among the permanent commodities are kola, finished products like textiles, knitwear, shoes, enameled products, electronic gadgets and used clothing, which flow from the South to the North; coming down in the opposite direction you find smoked fish caught in the Niger River, livestock, and hides.

On the East-West-East circuit, most of the trade is conducted between English-speaking and French-speaking countries, as well as between Guinea and Ivory Coast, Togo and Benin. Actually, it is between the English-speaking and French-speaking countries that customs barriers and monetary discrepancies are most marked. The establishment of a Guinean currency linked with a socialist economic policy has given rise to the same conditions and completely changed its trade relations with such neighbors as Liberia and Ivory Coast. The contraband trade between Togo and Benin is based on the mildly opposed fiscal system, on the emergence of a highly developed state-owned economic sector in Benin, on the existence of a free port at Lomé and on the fact that Togo has signed bilateral agreements with the CEAO on trade matters. The result for import purchases between these two countries, is so great a gap between duties and taxes as to make Togo a highly profitable market for Benin's traders (peanut oil: +31.75 percent in Benin; print textiles: + 21 percent; milk: +11 percent)... (11)

Imports from English-speaking countries include enamelware, fuel, corrugated iron, cooking utensils, soap (for toilet and laundry), used cars, and spare parts. The trade in automobiles and auto accessories is pretty well confined to trade between Nigeria and Benin. The French-speaking countries export alcoholic beverages and print textiles from local mills or from the Netherlands.

This trade, which for many years was favorable for the English-speaking countries, is profitable today only to the French-speaking countries, thanks to their monetary advantages. The trade involves fairly high turnover, especially in second-hand merchandise.

Seasonal Traffic

This centers mainly on trade in farm products, and it is expanding to keep pace with price trends in the neighboring countries.

Generally speaking, it is farm produce from the English-speaking countries that flow into the French-speaking countries and swell their export volume, with the exception, however, of peanuts from Niger and Senegal, which travel the other way. This trade involves a considerable amount of farm commodities: peanuts travel from Senegal to Gambia (12), from Niger to Nigeria (13); cacao goes from Ghana to Ivory Coast and Togo, while Niger's cacao moves into Benin (14).

Shipments flow the other way for peanuts, because the product is more in demand in the English-speaking countries. However, the deterioration in Nigeria's economic situation during the Biafran war and in Ghana's shape after Nkrumah, with a constantly devaluating currency explain the flight of their farm products to the border areas. For the Ghanian farmer, in particular, going to a French-speaking country to sell his cacao is doubly advantageous: first, he is sure of getting payment on the spot, whereas at home the marketing board can no longer make immediate payment on its obligations to farmers. Besides, he gets paid in CFA francs, which he converts to New Cedi on the parallel market at a very good rate, and goes home with several times more money in his pocket than he could have got if he had sold his crop at home.

The sheer volume of these various transactions makes the clandestine market a pretty dynamic sector, and one that overlooks no border region in the sub-region (Benin-Nigeria, Niger-Nigeria, Ghana-Togo, Ghana-Ivory Coast, Ghana-Upper Volta, or Gambia-Senegal).

Between Nigeria and Benin, this underground trade boasts an annual volume of business in excess of 12 billion CFA francs. It makes Nigeria, for all practical purposes, Benin's top trading partner.

The mushroom growth of the illegal traffic relies here on the re-export policy adopted by the Cotonou authorities in 1973. Benin, in the process, has become one of the top intermediate markets for Nigeria, hampered in its foreign trade by the pervasive control of exchange rates. Benin sends Nigeria luxury items which are either banned or severely restricted, such as lace, jewelry, alcohol, cigarettes and tobacco, etc. In return, Benin buys goods made in Nigeria, such as detergents, plastics, household appliances, electronic devices, and -- most important of all -- fuel. The illicit fuel trade accounts for almost 50 percent of the value of illicit imports. So massive is this particular line of smuggling that it has halted distribution of National Petroleum Products Sales Corporation (SONACOP) products throughout every inch of the eastern region of the country. In spite of this massive influx of smuggled fuel, the balance of trade stayed in Benin's court until February 1982. The latest measures taken by Nigeria's government, though, banning imports of 33 foreign products and restoring currency exchange controls, are going to change the picture in the parallel trade between Benin and Nigeria.

Togo plays the same part as intermediate market for Ghana, by reason of the deterioration in Ghana's economy. Imports from Ghana consist of farm products (cacao, vegetables, fruits and eggs), locally manufactured products (cooking utensils, foam mattresses, metal bedsteads, and salt), plus diamonds, for which Lome has become the biggest and busiest market in West Africa. For export, Togo sells Ghana basic necessities and luxury products which Ghana can no longer permit to enter: tobacco, cigarettes, alcoholic beverages, Dutch print textiles, etc. The value of these exports runs close to 4 billion CFA francs, as against 1.7 billion in imports, according to estimates by the Lomé office of the Central Bank of the West African States. Here again, the trade balance runs in Togo's favor. This volume of business accounts for half of all transactions between Benin and Nigeria. That, however, is a lot when you refer it to the size of Ghana's population, estimated at 10 million, while Benin can serve a market of 80 million richer and more active people.

We could go on with these sector examples with a look at the situation between Upper Volta and Ghana, between Gambia and Senegal, or between Guinea and its neighbors. What must be emphasized above all, however, is the consequences of the growth of the parallel system to the formation of new economic spaces which are taking shape along the borders.

Role of the Smuggling Channels in
Growth of Border Settlements

During colonial days, the border regions were depressed areas in West Africa, marginal to the process of territorial development. Typical of them were, on the one hand, the number of customs checkpoints, spaced about 3 kilometers apart for the express purpose

of repressing trade, and on the other by shifts in their populations as they flee military service, taxes, forced labor as bearers, or conscription inro road ganfs.

In our time, the growth of the parallel trade system has reclaimed this border zone, because it has helped to transfor the border settlements into urban magnets, to create a string of markets among the busiest and most innovative in the country, and to build fine roads between states that were once enemies. Around these three activities cluster a multiplicity of other ones that are radically altering the lives of the people in these border regions.

Changes of this sort are most visible along the boundaries Benin shares with Nigeria, Niger with Nigeria, Togo with Ghana, Togo with Benin, and, to a lesser degree, Senegal with Gambia. Today, far from being depressed areas, these border settlements provide the model for new economic space interacting, at the level of neighboring states, with the vast markets of CEAO and CEDEAO.

Their emergence and growth constitute a new pattern of organization for national space, one which is profoundly changing the North-South balance at the territorial level. This in turn encourages another kind of regional integration, actively involving the local people and following its own paths quite outside all the official regional regrouping efforts.

FOOTNOTES

1. S. Amin: Inter-African Trade, LE MOIS IN AFRIQUE 24, 1967; D. Bollinger: Marketing in Africa, Abidjan, CEDA, 1978; B. Vinay: Africa Trading with Africa, Paris, Presses Universitaires de France, 1971.

2. See for example Hodder and Ukwu: Markets in West Africa, Ibadan, Ibadan University Press, 1969; or C. Meillassoux: Development of Indigenous Trade and Markets in West Africa, Oxford University Press, 1971.

3. See African Development Bank: Study of the Possibilities for Cooperation among Ghana, Ivory Coast, Upper Volta, Dahomey and Togo, Paris, IEDES, 1970; D.J. Collins: The Clandestine Movement of Groundnuts across the Niger-Nigeria Border, in REVUE CANADIENNE DES ETUDES AFRICAINES 10 (2), 1976; O.-J. Igue: Development of Clandestine Trade between Dahomey and Nigeria since the Biafra War, in The Smiggling Trade and Monetary Problems in West Africa, Cotonou, CEFAP Publications, 1977; J. Thom: The Niger-Nigeria Borderlands: a Political Geographical Analysis of Boundary Influence upon the Haussa, PhD thesis, Michigan State University, 1970 (mimeo).

4. R. Charbonneau: The Lebanese and Syrians in Black Africa, in REVUE FRANCAISE D'ETUDES POLITIQUES AFRICAINES 26, 1968.

5. Among such repercussions, we would cite the mobilisation of the best land for export crops at the expense of food crops; it entailed a degree of food-supply imbalance, and the need to fill that gap led to imports of foreign food or to increases in domestic production by using additional manpower (women and children). In addition, the colonial authorities themselves felt no compunction about organized displacement of workers from the less promising areas (Sahel) to plantation areas (in the forested zones). It can thus be said that the development and expansion of commercial planting is a factor in the demographic expansion of the old forest-zone colonies.

6. On this sector, see Black Africa Study Center: Public Enterprise in Black Africa (Senegal, Mali, Madagascar), Paris, Pedone, 1979.

7. C. Rivière: The Consequences of Reorganization of Trade Routes in Guinea, in REVUE FRANCAISE D'ETUDES POLITIQUES AFRICAINES, 66, 1971.

8. This means almost all the Sudan-Sahelian states which have supplanted the ancient Songaï Empire, all of which are predominantly Islamic: Senegal, Mauritania, Mali, Upper Volta, and Niger, plus Ivory Coast.

9. P. Desneuf: The Great Event of 1976: the West African Clearinghouse, AFRICA 87, 1977.

10. Cf. the decision of the CEDEAO council of ministers on liberalizing trade in local products, taken on 3 November 1979.

11. Benin Chamber of Commerce and Industry: Note on the Economic Situation as of the End of First-Half 1982, Cotonou, 1982.

12. Cf. Sekyere: Peanut Trade in Gambia, Dakar, ISEA, 1962.

13. Cf. Collins, art. cit.

14. See O.-J. Igue: An Aspect of Trade between Dahomey and Nigeria: the Cacao Trade, BULLETIN DE L'IFAN (ser. B), 38, 1976.

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EAST AFRICAN COMMERCE, TRADING CIRCUITS EXAMINED

Paris POLITIQUE AFRICAINE in French Mar 83 pp 53-62

[Article by G. Prunier: "Le Magendo"]

[Text] *Magendo* is a word of Swahili origin that became widespread in Uganda toward the end of the reign of Idi Amin Dada to designate the phenomenon of the black market through which people ensured the survival of economic trade. Gradually, as the Ugandan mire grew deeper between 1979 and 1982, the word spread to bordering countries and regions: Rwanda, eastern Zaire, southern Sudan, all of Kenya. In spreading, it became diversified, losing its strictly technical meaning of "black market" and taking on, among the African population, that of wangling [*debrouille*], the so-called "D-system," while for Europeans and Indians, it became more and more distorted until it became a synonym for swindling, corruption, almost criminality. In September 1982, a young Indian woman from Mombasa told us that her husband has just been imprisoned for *magendo* and in this case, it meant a violation of exchange legislation. For an African, on the contrary, *magendo* has no criminal connotation. It is a perfectly acceptable form of economic activity that simply gets around regulations perceived as niggling and meddlesome and created to enable the state bureaucracy to get its cut by fair means of foul. Often and quite rightly, he considers that through the artificiality of official borders, *magendo* represents a form of social solidarity and, beyond the rigid letter of regulations rendered obsolete by the actual chain of events, a precious means of maintaining commercial trade now threatened. Based on recent concrete examples, we shall try to take a brief look at the forms of this economic detour. One remark is necessary, however, before looking at the practical situation of our zone of reference (Kenya, Uganda, southern Sudan). It is not possible to create nice, neat categories of "official" trade and "illegal" trade. On the one hand, the same individuals, the same enterprises, the same material means are often involved in both. On the other hand, Magendo could not exist without a variable relationship of complicity between the "official" and "semi-official." This may range from a symbiotic relationship of cooperation or interference to quasi substitution, in the case of Uganda, where *magendo* has become a full-time activity, if not of the government, then at least of many of its agents.

In southern Sudan, *magendo* is a way of life that has quietly become the rule since the end of the civil war (February 1972) in order to remedy the blatant gaps in an economy whose reconstruction never came about. If we want to sum up a few salient features, in a necessarily summary way, we would mention that:

Southern Sudan was marked by 17 years (1955-1972) of a merciless civil war that left the country's infrastructure in ruins. Even today, many public buildings remain abandoned, their facades still bullet pocked. Bridges have never been rebuilt or are only temporary. Schools, hospitals and administrative centers are nearly nonexistent and this in an area larger than all of Kenya.

Taken as a whole, Sudan has the largest foreign debt on the continent, probably over $6 billion. The south is the poorest, most isolated region, almost totally totally lacking in means of transportation. Its official economy is almost entirely controlled by northern-leaning Muslim interests locally perceived by the Black population as profoundly foreign.

In 1972, the establishment, in keeping with the Addis Ababa accords, of an independent executive in Juba superimposed on the Khartoum bureaucracy a second greedy bureaucracy, sympathetic to the south and which, out of a desire to appear even more nationalistic and to strengthen its existence, tends even more to slow down the speed of economic trade by its demands.

Commercially speaking, the vital artery is the Mombasa road or rather, the Mombasa roads. Obviously, one must not lose sight of the ract that in an essentially self-supporting economy such as that of southern Sudan, trade is but a makeup element quantitatively speaking. However, qualitatively speaking, that element is often essential, even in the bush. There is practically no mass trade between the north and the south. The road which runs from Khartoum through Kosti, Malakal, Malek and Mongalla is passable -- with difficulty -- only six months of the year and is 1,350 kilometers long. Furthermore, river links, provided on the Nile by ancient barges, take weeks, especially during the flood season, and shipments sometimes wait six months or more before their departure, which means that they are often ruined before they are even loaded. Under such conditions, almost all trade is done with Kenya. The "official" road from Mombasa goes through Eldoret and crosses Uganda by Soroti, Lira and Gula, while the "semi-official" road goes through Turkana country to Lodwar and reaches Juba by way of Kapoeta and Torit. When, in 1979, the fighting marking the fall of Idi Amin and, again in 1980, the spreading troubles in Karamoja closed the official road, the other took over, despite the additional 200 kilometers, the absence of bridges, the almost constant dissidence of the Toposa tribe and the sporadic dissent of the Lotuko, and a road in such poor condition that during the rainy season, it takes a month to travel its some 1,400 kilometers. It is certain that besides the material considerations, the south would prefer to trade with tropical Africa and following its methods than with its own Islamized north.

Today, there are two types of merchants on the Sudan road: the representatives of two or three large companies, including at least one multinational firm of German origin, and the independents. The large semi-trailers of these companies have to confine themselves to the Uganda route, once again passable, while the independents, with smaller vehicles, often prefer the northern route. Both follow the *magendo* circuits, using different arrangements. An independent uses a five-ton truck that cost him 350,000 shillings in Nairobi (at the official exchange rate, 10 francs = 18 shillings = 13 to 14 Sudanese pounds, summer of 1982). A trip costs him 5,200 shillings in fuel and about 4,000 in wages,

insurance, bonuses and miscellaneous expenses. The gross profit from a round trip (the return is almost empty) is about 20,000 shillings and one can, by pushing, make 20 trips a year. The vehicle is paid for in 18 months. Given the current condition of the roads, the maximum life of the truck is 5 years. Owners are often former drivers who managed to save, mainly because of *magendo*. The south-north ship is made up of beer (6.5 shillings in Nairobi, 2 Sudanese pounds, or 20 shillings in Juba), cigarettes (same price ratio), tea, automobile and other spare parts (not to be found in Juba) and even mail that comes from Khartoum only when the airport is open and there is kerosene -- that is, only about half the time. Most of the offices, businesses and organizations in Juba prefer to contact one of the haulers, who becomes a kind of semi-official post office, in order to send their mail to Nairobi and then have it brought by road. The "official" phase of *magendo* is at the Juba customs, completely overloaded, where trucks wait for their entry documents for two or three days. Two -- or more -- sets of bills of lading make it possible, after this wait, to present a load substantially different from the one that left Kenya. Officials in Kapoeta on the way or those in Nimule on the southern road have often stemped the "right" set of documents without inspecting the load. Corruption more frequently takes the form of payment in kind -- part of the load -- rather than sums of money because it is a double profit for the official, who will then resell the goods much deeper in the bush at a price even higher than in Juba.

The driver for a big company, more closely linked to legal behavior, "hides" smuggled products on his big semi-trailer, products bought with his own capital. A shrewd driver who knows how to pay off customs officials makes up to 7,000 shillings a trip, a good way of saving for the purchase of his own vehicle. Given the extreme shortage of everything in Juba (the city, with 100,000 inhabitants, no longer has electricity because it cannot repair its broken-down power plant), the hospitals, even charitable organizations, procure medicines or other products through *magendo*. A big international organization active in southern Sudan in order to help the local people as well as to aid the mass of Ugandan refugees that are victims of the civil war, last year imported a very large quantity of grain that would have been blocked by authorities in Khartoum if regular procedures had been followed. *Magendo* customers range from the small restaurant owner who buys beer to the minister seeking a spare part for his Mercedes. On the way back, the independent drivers and those working for the big companies are on more of an equal footing. Traveling empty -- they carry some machinery, pumps, compressors or other equipment to be repaired in Nairobi, propane bottles to fill, a few skins -- they pick up illegal exports, carry passengers and convey news. From the Sudan, they bring *bhang* (cannabis) which is smoked and *khat* which is chewed, both less expensive than in Kenya and whose value can be increased tenfold if one manages to sell to tourists in Nairobi. Once past Kapoeta, on the Lolimi road, in a particularly isolated region, the Toposa sell gold powder and mercury mined illegally in the hills. In exchange, they ask for potatoes, cooking oil, cigarettes and canned meat. Drugs are also usually paid for in kind. Miners and illegal growers enter the *magendo* system all the more willingly because not only do they not have to go through any administrative rigamarole, but they obtain payment in kind which provides them with what they really want. On the other hand, passengers pay in cash, about 2 Sudanese pounds for 150 kilometers. The

trucks which do this hauling are often the only means of circulating other than on foot over distances of several hundred kilometers. Far from discouraging them or requiring that they have some license, police authorities are often the first to use them. Drivers admit profits of from 1,000 to 2,000 shillings for a return trip used in this fashion, but our own observations would lead us to double the sum. News also circulates using these channels. We witnessed the propagation of the announcement of the attempted coup d'etat in Nairobi (1 August 1982) in Toposa and Lotuko country, where Swahili is not understood and where, as a result, Kenyan radio is scarcely listened to. The drivers spread the news, obviously giving the interpretation they deemed proper and it was that version, with its embellishments, naivete, errors and brutal frankness, that went around rather than the diluted official version. There is also a *magendo* of ideas.

What the isolation, bad roads, tribal dissidence and aftereffects of the north-south conflict cause in Sudan, the masked civil war is bringing to Uganda. Actually, *magendo* has existed in Uganda in one form or another since the expulsion of the Indians in 1972, but it was not until 1977, when the drop in the price of coffee finally took along the strange Amin economy, that it became predominant. Here we have a situation very different from that of southern Sudan. Before 1972, the Ugandan economy was one of the most prosperous in East Africa. The country's road, administrative, educational and hospital infrastructure was excellent and relations with Kenya were on an absolutely equal footing. *Magendo* is therefore not, as in southern Sudan, a normally abnormal means of commercial operation but rather, a desperate form of survival, of economic decay perceived as such. Here, the obstacles do not stem from nature or poverty, but from politics and men. In Uganda, everything is sold because there is nothing to buy, but merchants obviously prefer to import the products that bring the best price. Curiously enough, these are not, as they are in Sudan, "masculine" products, but rather. goods such as plastic cups and bowls, soap, detergents, cosmetics, medicines, clothing that would would tend to link to a "feminine" economy. This is but a biased, unverifiable observation, but it would move in the direction of the shift in buying power from men to women, a shift particularly noticeable at the beginning of the preceding decade and that could have been strengthened by the difficult years lived since 1977.

Imports from Kenya are very often the work of very small operators, frequently women, who cross the border by chartering a *matatu* (collective taxi) and by taking the Tororo-Jinja-Kampala road. Generally, the Ugandan buyers-resellers are military men and negotiations are extraordinarily dangerous, with drunkenness and unpredictable use of weapons playing a major role. While in Sudan, profits are on the order of 70 to 100 percent, in Uganda they are roughtly 1000 percent. Half is immediately lost, however, because of the semi-official exchange rate of about 350 Ugandan shillings for $1 or 25 for a Kenyan shilling. In addition to the disastrous economic situation of Uganda, this rate is also linked to the monopoly over currency held by the only two groups able to get it: the military and coffee smugglers. Moreover, these two groups are sometimes one and the same and public rumor describes the intricacies of a government *magendo* in profuse detail. It competes with a private *magendo* and operates with the aid of army officials and those of the Uganda Coffee Marketing

Board, if not both. But since the price of coffee on the Kenyan market is four to five times higher than that paid by the official Ugandan purchasing agency, a veritable race is underway for the illegal resale of the harvest, much of which is carried on men's backs over Mount Masaba before the military gets its hands on it. Coffee exporters, whether official, underground or dishonest government employees, are the only ones with the precious currency needed to make the *magendo* purchases. The Kenyan *magendo* vendor, after paying the *pesa kwa chai* (money for the tea) to customs officials and converting his mass of devalued Ugandan shillings into reexportable Kenyan money, still derives net profits from the operation of some 400 percent, which continues to attract a large number of operators to the circuit, despite the particularly high physical risk involved.

We are especially interested in the commercial *magendo* here. But in Uganda today, everything is *magendo*. For example:

A professor has an automobile, but no foreign exchange. A foreign colleague, paid in foreign exchange, agrees to furnish him with the necessary spare parts. Since there is a veritable flight from the currency, he refuses to be paid in Ugandan shillings. His Ugandan colleague, who has a cow, pays him back by supplying him regularly with milk, a rare product difficult to find. In order to make the importance of this example more obvious, one should add that maintaining an automobile is not a matter of luxury or comfort. A passenger car, turned into a pickup, represents the only chance of survival for a family of nine persons, given the fact that the salary of the professor (in devaluated shillings) furnishes about what it takes to feed his family for two days a month! Some 97 percent of his income comes from the sale in the city of farm products from lard over 100 kilometers away and for whose transport the use of the car is vital.

Cars are cannabalized, but better than in Cuba during the 1960's because mechanics offer almost original parts, having discovered that a Toyota gas pump can be adapted fairly well to a 504, and so on.

Soldiers with weapons but no food hire themselves out to replace the faltering forces of law and order. For example, they collect unpaid rent and proceed to evict renters too far behind. Since renters warned in advance also hire their own soldiers to oppose an eviction, the occupation of an apartment can result in real armed conflicts!

Given the complete impossibility of finding wrapping paper, merchants buy the contents of old files from civil servants working in the ministries and various paragovernment departments. Consequently, the files are radically recycled in public places, occasionally with hilarious or tragic individual consequences.

The extension of *magenda* as a transnational economic and cultural phenomenon depends on each local situation, but it entails far-reaching consequences. In Kenya, first of all: Kenya is a supplier on the *magendo* system(s) and derives substantial benefits therefrom. Most Kenyan merchants involved in such circuits seem to be Kikuyu from the lower bourgeoisie or even directly from the peasantry. They operate with very limited financial means but obtain very high rates of

profit in keeping with the rusks run. Without equaling the constant danger of the Ugandan *magendo*, even in Sudan the physical risks are not negligible. At the end of August 1982, two trucks were attacked on the Juba-Kapoeta road and there were deaths in both cases. The condition of the roads makes the sight of a *souk lorry* totaled or turned over at the bottom of a wadi absolutely commonplace. The big enterprises avoid *magendo*, but their employees, using their own resources and discreet means, often become privately involved.

With respect to the receivers, the situation is very different depending on whether one is speaking of southern Sudan or Uganda. In southern Sudan, the trading economy is still very limited and often amounts to bartering. *Magendo* is not perceived as a special, shameful or extraordinary phenomenon. Actually, its penetration of "official" circuits and the level of complicity are such that one should rather speak of a complementary rather than parallel economy. For example, illegal gold exports could not be handled officially even if the producers so desired, lacking adequate procedures.

The situation is quite different in Uganda: While in southern Sudan violence is sporadic and outside the system, in Uganda it is constant and is part and parcel of it. The economy is not even parallel, but one of plundering and guns play a role as important as that of money. In addition, there is a feeling of deterioration compared with the recent memory of adequate and relatively effective, or at least fair, economic structures that functioned fairly well until 1977, and on an entirely different scale from that of southern Sudan. Entire industries have disappeared in Uganda, as in the case of cotton, and the people have fallen back on *magendo* just as the people of occupied Europe resorted to the black market, lacking anything better. Outside of the official *magendo*, which can procure foreign exchange and export profits, one sees few lasting fortunes being built. It is rather a matter of daily survival, while in Juba, the half official-half *magendo* merchants capitalize on their gains.

In Uganda, a criminal subculture is growing along with *magendo*, such as that of the Bayaye, gangs of young hoods who mainly live off the small *magendo* operators they protect or attack, as the case may be. Far from being a complement to a "normal" still budding economy, *magendo* is a cancer that eats away at the remains of what was a more complex economic form. The social consequences are therefore totally different.

By way of conclusion, we would like to pose (or try to pose, because any certainty in this vital but very fluid domain is particularly difficult to obtain) the problem of limits: geographic and economic but social also.

Geographically speaking, all of Kenya as a supplier and its Ugandan and Sudanese "customers" constitute an interdependent whole. But beyond that, Zaire also functions in large areas in much the same way and it would appear that Ghana also exhibits similar situations. Economically speaking, it is a question of defining what we mean by *magendo* or any equivalent system. In no instance is it merely a matter of smuggling, but of a means of trade, even of production, sometimes a way of life. In the absence of any statistics, the volume of the flux is extremely difficult to evaluate. However, as far as Uganda is concerned, our informers agree that the total mass of *magendo* trade is very likely far

greater than that of official trade. More limited in southern Sudan, *magendo* is still an absolutely essential element of the economy. There are those who would view these improvised structures as a perfectly logical and legitimate substitute for the more traditional economic forms. That is not our opinion.

Rather, we see in them what Weber called "adventurer capitalism" as it may have appeared in the 14th century in Europe. Without making Kenya a modern Venice, one nevertheless has to observe that the trend toward capitalization, investment and the stabilization of procedures is constant. Likewise, Ugandan or Sudanese partners constantly refer to a future time at which trade would become normal. In our opinion, this is a response full of resourcesfulness and adapted to particularly difficult situations, one that will have to evolve when these situations themselves are different, which obviously is not an immediate prospect.

Without thereby creating a new economic form, this constant change in commercial trade will continue with its social consequences: enrichment of a petty bourgeoisie willing to take risks, the institutionalization of crime, the weakening of and scorn for government forms, as long as the political and economic conditions which brought it about continue to prevail in the areas where it has taken root.

11,464
CSO: 3419/

ANGOP CITES CHEYSSON SPEECH AT NAMIBIA MEETING

AB261502 Luanda ANGOP in French 1210 GMT 26 Apr 83

[Text] Paris, 26 Apr (ANGOP)--UN Secretary General Javier Perez de Cuellar opened on Monday at the UNESCO headquarters in Paris the international conference for solidarity with the struggling Namibian people, which was also attended by OAU Secretary General Eden Kodjo and French External Relations Minister Claude Cheysson.

The opening session of the 4-day conference sponsored by the UN, the OAU, the UN Council for Namibia and SWAPO was marked by a minute's silence in memory of the victims of apartheid.

In his address to the opening session, Claude Cheysson, French external relations minister, pleaded with all, including South Africa, to find a peaceful solution by implementing the UN plan for Namibia.

"Frustration and despair are intensifying. In the near future, violence could spread. The time for peace has come. My country is pleading with all, including the country that refused to be present at this meeting," said Claude Cheysson.

The French minister also criticized the United States and South Africa for linking the question of Namibian independence to the withdrawal of Cuban troops.

CSO: 3419/819

DANISH REPORTER FINDS STRONGER UNITA, GOVERNMENT IN DISARRAY

Cubans, Soviets Increasingly Unpopular

Copenhagen INFORMATION in Danish 26 Mar 83 p 3

[Article by Poul Hansen]

[Text] Luanda--There is growing Angolan opposition to the Cubans and the Soviets. But UNITA, the national resistance movement supported by South Africa, is stronger than ever.

UNITA is in a stronger position than it has ever been. That is the general impression in Luanda and it is also confirmed by a high-ranking officer in FAPLA, the People's Armed Force for the Liberation of Angola.

UNITA, the National Union for the Total Independence of Angola, played a very modest role in the struggle against Portuguese colonialism, but since 1975 it has gradually increased its influence, not least because of the material and military support it has received from South Africa.

South Africa's second invasion of Angola's southern provinces is of course one of the main reasons for UNITA's progress, but there are others.

The failure of the MPLA government to get the economy going and to guarantee the supply of the most basic goods is judged to be an important reason why many people support UNITA, on the principle that, "At least it can't be any worse."

Tribal affiliation, which MPLA tried at first to eliminate, is becoming more important as the situation becomes more difficult and as opportunities for primitive demagoguery increase. Most of the MPLA leaders belong to the Mbundu, who live in the northwestern part of the country, in and around Luanda. This group is often erroneeously called the KiMbundu, which is the name of their language.

UNITA gets its major support from Angola's largest population group, the OviMbundu, living in the central and southern part of the country in the

very fertile Bihe plateau region, which has Angola's second largest city, Huambo, formerly New Lisbon, as its capital.

UNITA has its base area in the southeastern province of Cuando Cubango, which is protected from attack by the FAPLA-controlled coastal area by the South African troops in Cuene Province. It is hard to say how many men UNITA has in its armed forces; one hears everything from around 2,000 to 20,000 men. However the representative of the UN High Commission on Refugees, one of the only international organizations still working in the Bihe plateau area, says that around 3,000 men are involved.

Hit and Run

UNITA does not control any big towns on the plateau, but operates on the "hit and run" principle, which means that FAPLA and the Cuban troops can never feel safe when they move outside the towns. UNITA has concentrated primarily on attacking roads and bridges and by means of repeated attacks in recent months it has effectively prevented the operation of the Benguela railway, which is very important also for Zambia, which traditionally exports a large part of its copper along this route.

The only permanent foreign journalist in Angola, Jean Luc Ponte, who is a correspondent for AGENCE FRANCE-PRESS (AFP), visited Huambo and several other towns nearby during the winter and says that Huambo is being strangled to death. Almost all land transports to and from Huambo are attacked by UNITA, even if they are protected by military convoys. The roads outside the city are full of incinerated civilian trucks and military vehicles.

But the most shocking thing, Jean Luc Ponte went on, was to find so much testimony concerning terrorism and massacres of the civilian population.

"It looks as if UNITA is practicing terrorist tactics against the civilian population in the areas controlled by FAPLA in order to provoke counter-terrorism against the areas in which UNITA operates. The purpose of this, of course, is to coerce the people into taking UNITA's part," said the French journalist.

Jean Luc Ponte pointed out in an article that FAPLA has also attacked civilians, which resulted in his being "exposed" a short time later as a South African agent in the government organ, JOURNAL DE ANGOLA.

Cubans

A former FAPLA officer said that the Cuban troops are very unpopular among Angolan colleagues. The reason for this is that the Cubans often refuse to fight and limit their efforts to protecting the towns and their own garrisons. It is said that Cuban troops have refused to allow Angolan units to accompany the Cuban military convoys.

Another reason for the increased conflicts between the Cubans and the Angolans is that the Cuban troops and other specialists too are said to have been prohibited from fraternizing with the Angolans and they now live in isolation in their garrisons in contrast to the past when they lived with the Angolans and marriages between Cubans and Angolans were a common occurrence.

Many Angolans have said that the most important goal of the Cubans in Angola is to earn money. The Cuban economy needs the hard currency that both the soldiers and civilian specialists send home. It is said that a soldier costs between $100 and $200 a month, while a civilian specialist "cooperante" gets as much as $1,200 a month, most of which goes into the Cuban treasury.

A large part of the Angolan health service is operated by Cubans and it is claimed that many of the Cuban doctors have actually only received a nurse's training, but they claim to be doctors in order to get higher pay.

Russians Detested

If the Cubans are unpopular, the Russians in Angola are detested. Like the Cubans, the Russians are accused of exploiting the country in order to profit from the country's desperate situation.

An example cited by almost all Angolans is fishing. Angola and the Soviet Union have entered into a fishing agreement, which gives the Soviet Union the right to fish in the very rich waters off the Angolan coast, in return for landing part of the catch in Angola. Critics charge that the Russians land only "trash fish" and sell the rest in Europe for their own profit.

Another accusation is that the Russians sell only oldfashioned weapons to Angola, not the most advanced MIG planes and missiles and not the attack helicopters that are needed in the anti-guerrilla struggle.

Thirdly, many Angolans regard the Russians as racists because they hold themselves aloof and do not mingle with the local population and they also live better materially than the Angolans do.

There is undoubtedly some truth in the charges the Angolans level against the foreign comrades, but the most important reason for these feelings is that the Cubans and Russians represent those who make it possible to continue the war. What they hate is the war.

War weariness has also spread to the armed forces, the FAPLA, the officer said. UNITA's success is not so much a result of UNITA having become stronger militarily, as it is due to a decline in fighting determination in FAPLA. There are also doubts among high-ranking officers that the conflict can be solved militarily.

The MPLA government has consistently rejected any form of negotiated settlement with UNITA. But there are strong indications that some of the leaders

hold a different view. The so-called Katete group, named for the town from which many of its members came, is supposed to be the center of this alternative policy. The Katete group, which has elements of black nationalism, is said to be more oriented toward the West than the official MPLA policy. The group is also supposed to advocate preventing the Namibian liberation organization, SWAPO, from operating from Angolan territory in order to create possibilities for making peace with South Africa.

The leader of UNITA, Dr Savimbi, called on the MPLA government in a 1983 New Year's speech to start negotiations with UNITA. In January, rumors were flying that unofficial contacts had been made. These rumors may have been inspired by the meeting which Angola's Foreign Minister Paulo Jorge had with South African Foreign Minister Pik Botha.

But the rumors of negotiations were rejected by the Angolan news agency, ANGOP, which has stepped up its propaganda against UNITA instead, with almost daily descriptions of the guerrilla terrorism.

Some of the critics of the MPLA government feel that the government does not want peace with South Africa because that would force it to send the Cuban troops home. If that happened, say the critics, the armed forces, FAPLA, would have a free hand to carry out a military coup.

Military Coup

The possibilities of a military coup are often discussed in Luanda, even though this does not appear likely as long as the Cuban troops are in the country. It was the decision of the Cuban troops to support the government in power that made the attempted coup by Neto Alvez in 1977 impossible.

If a military coup should take place, it is thought it would mean that Angola will orient itself more toward the West than toward the Soviet Union. One reason would be the anti-Soviet attitude of some of the officers, another that many people believe that a western-inspired mixed economy with the participation of western firms would bring the Angolan economy on its feet more quickly than the current socialist system.

Economic Paralysis Stymies Government

Copenhagen INFORMATION in Danish 25 Mar 83 p 3

[Article by Poul Hansen]

> [Text] Angola is a revolution in total collapse. Incompetence, indifference and corruption are the main elements in a political climate in which the wealthy are securing themselves abroad before it is too late.

Poverty and hunger in Angola are increasing from year to year, despite the fact that Angola is one of Africa's richest nations--oil, diamonds and other minerals in addition to large areas with very fertile soil and a favorable climate.

Many Angolans are starving or suffering from malnutrition, while at the same time good farm land lies fallow. This paradox makes a visit in Angola a traumatic experience. Many become indignant at the regime that is unable to make use of these opportunities.

Most underdeveloped countries are marked by contrasts, an enormous difference between rich and poor. In Luanda, this is illustrated by a cabinet minister's black Mercedes 280-SL driving past a trash can where an old man and a child search for scraps of garbage. In Angola, however, this contrast has a further dimension, the contrast between the stated socialist goals of the ruling MPLA workers' party and its actual policy, or more accurately, its lack of same.

In 1974, Luanda was one of Africa's loveliest cities, at least seen through European eyes; it was called the "pearl of the South Atlantic." Now the city is marked by rapid decay: broken windows, holes in the roads and sidewalks, the streets half full of trash.

The "sky line" of Luanda is dominated by half-finished skyscrapers, begun before the liberation and never completed. Monuments to the economic "boom" Luanda experienced in the last years of colonialism.

Incompetence?

Monuments to the incompetence of the MPLA government? That is the belief of most of the foreigners who work in Angola and it is shared by many Angolans. However, most of the Angolans with whom a foreigner comes in contact belong to a special group. They are "mesticos," mulattoes or "assimilados," blacks who assimilated the Portuguese culture during the colonial period and were therefore officially raised above the "natives"--the "indigenos."

It is a relatively well-educated group, a potential bourgeoisie. Potential because the Portuguese colonization did not give them a chance to develop into a bourgeois class. That is one of the main reasons why it was this group that initially formed the basis for MPLA, while now the same group constitutes the sharpest critic of the MPLA regime.

The condemnation of the MPLA government is so massive and so uncompromising that the first reaction of a newcomer is to say: "It just cannot be that bad!" But a search lasting 3 weeks turned up very few bright points.

Angola's development in the last few decades can also be described as a paradox: it is the country's wealth that has led to its poverty today!

Coffee Boom

In 1900, more than 4 centuries after the first Portuguese came to Angola, there were still less than 10,000 colonists in the country. There were over 400,000 when liberation came in 1974.

Most of them had come in the period after World war II, when Angola went through an economic upturn, started by the "coffee boom" in the early post-war years. The Portuguese dictator, Antonio Salazar, had already formulated a policy in the 1930's that was aimed at an increased integration of the mother country and the colonies, which were now designated as overseas provinces of Portugal.

In a period when all the other colonial powers were getting rid of their colonies, Portugal encouraged and organized emigration of Portuguese citizens to the colonies. Angola's rich opportunities made it a favored goal, ahead of such places as Mozambique, which had less than 50,000 Portuguese when it became independent.

Of course this stream of Portuguese immigrants was a major reason for the flowering of Angola in the years up to 1974, but at the same time it is one of the main reasons for the country's problems today, when the biggest problem is a lack of people with education or simply some industrial experience.

Most of the emigrants were poor people from the big cities of Portugal. Only a few of them had the qualifications or the desire to become farmers. For most of them the dream was to have their own business, so they settled in the larger cities, where they pushed out both the blacks and many of the mullatoes, the "mesticos." Not just from jobs in administration and trade, but also from industrial and service jobs.

More than 95 percent of the Portuguese residents fled in panic when the unexpected liberation became possible after the revolution in Portugal in April 1974. The new MPLA government stood suddenly with a relatively well-developed economy, but without people who were capable of administering it.

Civil War

The rifles that had been used in the struggle against the Portuguese hardly had time to get cold before the MPLA was involved in a new war, the so-called second war of liberation against the FNLA--the National Front for the Liberation of Angola--and UNITA--National Union for the Total Independence of Angola. Even before the formal liberation in November 1975, South Africa sent its troops into Angola for the first time in an effort to prevent the MPLA from assuming formal power in the country.

The continued war is the MPLA government's explanation of the poor economic situation today and it is undoubtedly correct that the war is siphoning off vast material and human resources.

A representative of the Angolan National Bank said that the cost of buying weapons and paying the Cuban forces took over 65 percent of the country's export revenue of around $2 billion in 1981. The rest went mainly for imported food products and consumer goods. The industrial sector is not really on its feet and investments here are often a waste of money because there are no people to maintain and utilize the machinery and equipment.

Foreign aid workers and specialists working on projects that involve training Angolans tell how at regular intervals the army drafts the Angolan specialists who have been trained with great difficulty.

An Angolan said that there are now qualified people working in only two sectors, the armed forces, FAPLA, and the oil companies. Many have gone from the state apparatus into the oil companies, where 51 percent of the shares are owned by the Angolan state and 49 percent by foreign oil companies. The most important reason for this flight is economic, employment by these companies makes it possible to trade in "foreign exchange stores," the only ones that have any goods to offer.

Many younger well-trained Angolans also give another reason for leaving state service: it is intolerable in the long run to work under incompetent chiefs. One of these young people contemptuously characterized the upper echelon of leaders, who are political appointees, with the words: "They have barely learned to read and write."

This is something that really applies to many of the nonintellectual MPLA leaders, who won their spurs in the guerrilla struggle in the "bush."

Nationalization

In a way the Portuguese flight in 1974 and 1975 forced the MPLA leadership to nationalize industry, without having any desire to do so or any policy to indicate how to operate a nationalized industry.

The war and the internal conflicts have meant that today one can scarcely talk of a real economic policy in Angola. They have a nationalized industrial sector that is largely not functioning, but at the same time they have not decided to encourage a capitalistic development on a small scale, as the Soviet Union did in the same situation in the early 1920's with the introduction of the New Economic Policy--NEP.

Instead Angola has sought to solve its problems with imports. Imports of goods and services. The buses in Luanda run thanks to Swedish mechanics from Volvo. The diamond mines near Dondo are operated by a South African management with Belgian assistance. The oil in Cabinda and Soyo in the north is extracted by American and European companies.

Oil represents 80-90 percent of Angola's exports and it is only due to this revenue that the MPLA government has been able to survive at all without finding a permanent solution to the country's economic problems. Thus

even today, wealth has a really negative effect, because it has made it possible to postpone the solutions of the problems, while at the same time disillusionment is spreading and making it even harder to implement real reforms.

Corruption

Hunger, lack of goods and economic stagnation are things that characterize many underdeveloped countries and many Angolans have some understanding of the fact that they also exist in Angola--the war and imperialism definitely played a role in this. What makes many Angolans oppose the government is the sharp rise in corruption.

The Angolan leaders have learned a great deal from their Soviet friends, but they have overlooked one thing, namely the principle that the elite in a "socialist" state should enjoy its privileges discreetly.

Several of the Angolan ministers spend their vacations in their own villas on the Rivera and far from all the Mercedes cars are ministerial cars for official use. It is said that the official monthly wage of a minister is around 15,000 kwanzas (just under 5,000 Danish kroner) and even though a minister has opportunities to trade in "closed" stores where goods are available at state prices, such wages cannot finance villas on the Riviera and boarding schools in Portugal for their children.

It is impossible for good reason to say how many of the leaders are corrupt, but if one believes what one hears in Luanda, it involves the majority.

A procedure used by many high-ranking officials and ministers is to write "requisitions" for imported goods that are stored in Luanda's harbor area. An Angolan belonging to the privileged class, told how a minister whose work area lies far from the construction industry sold him a batch of cement at a favorable price--only five times over the state price, while the regular black market price is 10-15 times the state price.

While people go hungry in Angola, imported food products have been re-exported from the port of Luanda to the Congo and Zaire, where they were exchanged for luxury goods which the Angolan government does not allow to be imported there.

Naturally this abuse of power is a big problem for the MPLA government, both because of the direct economic damage it does and because of the strongly demoralizing effect of corruption. MPLA's chief ideologist, Lucio Lara, began a campaign in June 1982 against corruption and since then the issue has been given a great deal of attention by the Angolan press. But it is hard to see any concrete results. For instance a general acquitted for diamond smuggling, while his wife was convicted on the same charge, was named deputy minister of defense, although no Angolan has any doubt that he was involved in the smuggling and it is known that he has a large fortune abroad.

The tendency to try and guarantee a secure old age abroad applies to many high-ranking leaders. A European businessman said that it is now obligatory to pay a certain percentage into a minister's or a director's Swiss bank account if one wants to enter into a contract with the Angolan authorities. But this is limited to 10 percent or less, because in an attempt to stop this traffic, the government has signed a contract with a Swiss firm that is supposed to supervise and approve all contracts and the Swiss are not corrupt.

The increased tendency to build up a nest egg abroad may perhaps be seen as an indication that many of the Angolan leaders have lost their faith in the prospect that they can get the country on the right course and that the only thing that concerns them now is to get as much as possible out of the country personally before it is too late.

6578
CSO: 3613/95

AMBASSADOR DENIES REPORT OF PRESIDENT'S RESIGNATION

Lisbon TEMPO in Portuguese 17 Mar 83 p 24

[Commentary by Cape Verde official radio, as reproduced in a letter from the Cape Verdian embassy to the editors of TEMPO]

> [Text] The Cape Verdian embassy has transmitted to our editorial office the text of the commentary broadcast by the Cape Verdian official radio on the subject of the recently published news reports concerning the resignation of President Aristides Pereira, which text we herewith publish in full:

International news media yesterday published a news item to the effect that Comrade President Aristides Pereira was preparing to leave his duties in the political leadership of the Cape Verdian state because of illness. Radio Nacional immediately contacted various governmental entities, and they informed us that the report was without foundation.

We know, however, that news stories are never guileless. They always have a purpose, a specific objective, a raison d'etre. Whenever an organ of public communications reports an event or publishes an item of information--whenever it flatters, or denounces, an entity or a regime--the informed listener has an obligation to try to discover the reason why, to attempt to analyze the intentions that are hidden behind these "news items."

This is why, in the present instance, an effort should be made to expose the real motives behind the concern over the health and political plans of President Pereira, and the reason why this concern was publicized at this particular moment.

Is not this news item designed to suggest that the efforts being made to find a peaceful solution in southern Africa are to no avail, and that the steps already taken will have no lasting effect because of the "frailty" of one of the essential elements in the process--President Aristides Pereira?

Or is the aim perhaps to suggest--by purporting to disclose a possible weakness in Cape Verdian institutions--that the diplomacy of a small country has its limitations, and by so doing to slow down the impetus of Cape Verde's diplomatic effort at a time when that country is asserting itself as a coherent defender of the fundamental principles governing relations among nations--peace, equality, mutual respect, and cooperation?

In any event, this news item inevitably has the effect of impairing the peace negotiations initiated between the People's Republic of Angola and South Africa. Indeed, it was disseminated at the precise moment when President Aristides Pereira, at the important summit meeting--in New Delhi--of the non-aligned countries, was undoubtedly about to explain to his peers the Cape Verdian position on this important question. Does not one have good reason, moreover, to believe that there is a desire to weaken Cape Verde's position in this process, to restrain its perseverance, and perhaps to counsel it that it would be better advised to concern itself with its own domestic affairs rather than with foreign relations "which are none of its concern"?

Radio Nacional, however, was told by the entities it contacted that in Cape Verde the head of state--a figure whose importance and political stature are more than abundantly recognized--is acting as the leader of a collegial leadership group whose decisions are made and carried out collectively: a process that serves to guarantee continuity of a policy line that is deemed to be just, and to ensure that those actions which are in the national interest will continue to be taken.

10992
CSO: 3442/168

BRIEFS

IVORIAN ENVOY PRESENTS CREDENTIALS--The first ambassador of Ivory Coast to Cape Verde, J. Hie-Nea, on Tuesday, 1 February, presented his letters of credence to President Aristides Pereira. [AB251140 Praia VOZ DI POVO in Portuguese 2 Feb 83]

UK ENVOY PRESENTS CREDENTIALS--The new ambassador of the United Kingdom to Cape Verde, Peter Lawrence O'Keeffe, on 8 February presented his letters of credence to President Pereira. [Praia VOZ DI POVO in Portuguese 10 Feb 83 AB]

CSO: 3442/207

SWEDISH REPORTER TELLS OF HUNGER, FLAWED RELIEF EFFORTS

Millions Threatened With Starvation

Stockholm DAGENS NYHETER in Swedish 27 Mar 83 p 18

[Article by Anders Johansson: "Death From Starvation Threatens Millions of Ethiopians; Search for Precious Drops in Dried-Out River Beds"]

[Text] Hamusit and Ibnat, Ethiopia, March--For many hours, sometimes days, the women must stand in line to get a few liters of muddy brown water.

Once they have filled their clay jars there remains the heavy, strenuous walk home to the village across rocky, dry terrain.

The Abilchukanda river has been completely dried up for more than 2 years, and it is not likely to become water-filled in the next few months, if Ethiopia's catastrophic drought--the worst in 10 years--continues as it has so far.

People have dug five deep wells in the dried-up, dusty river bed. Gradually a little water trickles in, very slowly, and before it has even had time to rise 10 centimeters the women are there scraping the bottoms of the wells.

The river bed is located a few kilometers from the village of Hamusit high in the inaccessible mountain districts of Ethiopia's Gondar region, one of the areas hardest hit by the drought.

Hanged Herself

An official report from the Gondar region tells of people's struggle for water; water to quench thirst, not for washing oneself or for watering the ground:

"One unfortunate woman fell as she was carrying home a clay jar full of water. When she saw that the jar was broken and the water was lost, she hanged herself by the rope with which she had hoisted up the water ...."

In the wake of the serious drought follow starvation, suffering and death. As yet no one has a precise concept of how many people have fallen victim so far in Ethiopia's most recent drought catastrophe.

We flew to Hamusit, a small village at nearly 3,000 meters altitude, in a plane belonging to the U.S. relief organization World Vision.

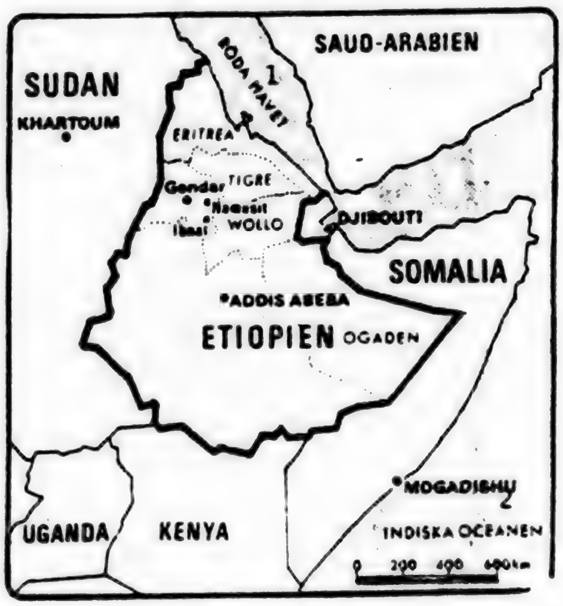
Storm Wind

The landscape is completely naked, there is hardly a green leaf to be seen. It is as if a hot storm wind had swept across, burned the land and destroyed the leaves and life of trees and bushes.

Hamusit, situated about 80 kilometers east of the regional capital of Gondar, normally houses about 1,000 persons. Now, the number of inhabitants had doubled because of the drought. People in distress have flocked there since the village has become a center for the distribution of food rations.

Four provinces have been hardest hit by Ethiopia's most recent catastrophe. Aid is flown in to the village of Hamusit in the mountains; Ibnat can be reached by truck.

Key: 1) Red Sea
2) Indian Ocean



Of late there have been even more starving people around the Hamusit air strip, built at the beginning of the year to bring in emergency relief via World Vision. But the aircraft happened to have engine trouble, and people started finding their way to other food distribution centers in the Gondar region.

Hamusit is only one of many starving villages in this part of Ethiopia. About 40,000 people live in the surrounding district, and approximately half need emergency aid because of the extended drought.

In the larger part of the Gondar region more than 80 percent of the inhabitants are affected by the drought: close to half a million people--and that in only one of the four worst hit regions in Ethiopia.

Anemia

World Vision has also established a tent clinic at Hamusit: 5,000 patients have been treated since the beginning of the year. All are malnourished, 10-20 percent seriously. And five percent of the children are anemic, in addition to all other diseases: tuberculosis, pneumonia, malaria, various stomach diseases, bilharzia ....

The suffering people who have found their way to Hamusit have built temporary huts from branches and rocks. Entire families are squeezed together in "dwellings" as small as one-man tents. They do not even deserve to be called huts; one can see through walls and roofs and they do not give protection against the burning heat of the day or the cold of the night at these high altitudes.

Women have even borne children under these conditions, on the bare ground.

Dead Trees

The trees in Hamusit provide little shade. It is as if the leaves had been blown away, despite the fact that there have been no strong winds recently. They simply fell off, all dried up and dead. The desolate countryside resembles a spooky moon landscape.

The people would actually welcome strong winds and even lower temperatures at night. These would presage rain, life-giving rain.

But the rains are long in coming. The present serious drought and subsequent starvation are due to the absence of rain last summer, which is why people could neither sow nor harvest.

And if as expected the normal rains fall during June-July--and assuming that authorities and relief organizations distribute seed--it will be October-November before anything can be harvested.

Until then these people are totally dependent on emergency aid.

The bitter reality in Ethiopia's drought-hit regions--containing 3-4 million people--is that the situation is not likely to improve in the near future. It is getting worse all the time.

At Ibnat, a village 86 kilometers south of Hamusit, the situation is the same--but the extent of the catastrophe is even greater. The only consolation is that Ibnat can be reached with emergency transports by truck, not only by costly air freight.

Half Are Children

In a temporary camp there are 4,600 who seek help. Food is distributed through an emergency center to 10 times more people in the surrounding regions. More than half are children under 15.

Here as well there is a lack of proper roof over the head. Many have lived for 5 months in huts of branches and rocks, or at best of sacks and grass. Some of the unfortunate ones have walked 160 kilometers from the neighboring Wollo region to the east which is also deeply affected by the drought.

During the last 2 months 103 persons died in or on their way to Ibnat. How many died far away from their villages is uncertain. A baby starved to death in the camp just yesterday.

Two nurses from the relief agency of the Danish church, Vivien Walden and Benedicte Hjollund, have just arrived and started a program of intensive feeding of small children. Four extra-nourishing meals are provided each day, but the small children should actually get six of these meals.

No Medicine

There is lack of medicine for children's diseases. The children get measles, whooping cough, pneumonia and other illnesses.

There is no water at all in Ibnat, and it does not matter how deep the wells are dug. Water must be brought by tank truck every other day all the way from Gondar, the capital of the region.

Not only people have succumbed. Many times more heads of cattle die for lack of water and fodder: cows, oxen, sheep, goats, horses, pack-asses and mules. In the district around Hamusit alone more than 55,000 animals have died in the last 6 months--half of them cows, which in Africa are regarded as "assets in the bank."

Depleted Soil

Even if the rains were to fall "normally" in a few months and beget new hope of green vegetation and life, the starting position is desperately unfavorable.

There is no seed to sow--it has already been eaten--and people are at the complete mercy of the authorities and the efforts of the relief organizations. There are no oxen to plow the soil; they have either died or been sold to buy food. And furthermore the land is depleted; the destruction of the soil is catastrophic. Much of what remains risks being washed away if and when the eagerly awaited rains arrive.

In the long run it will be necessary for hundreds of thousands of Ethiopians to be moved from the highlands to less depleted areas south and westward.

But right now Ethiopia is fully occupied with trying to prevent a new national tragedy, with trying to help thousands of people threatened by starvation. Long-term solutions must wait.

Bottlenecks Slow Food Relief

Stockholm DAGENS NYHETER in Swedish 29 Mar 83 p 12

[Article by Anders Johansson: "Ethiopian Starvation Alarm Neglected; Bottlenecks Slow Relief"]

[Text] Addis Ababa--"The situation might have been somewhat brighter if the world had reacted earlier," says Shimelis Adugna, head of the Ethiopian emergency relief commission, RRC.

The commission has a well-developed early warning system. As early as 5 months ago Shimelis Adugna sounded the alarm to donors of aid and international relief organizations about a starvation catastrophe being imminent.

"But no one reacted," Shimelis states. "If they had, the catastrophe need not have reached its present proportions."

Ethiopia is presently struggling with the worst catastrophic drought since the 1973-74 tragedy, when more than 200,000 people died from starvation.

Hundreds of people have already died for lack of food and water, and if the rains continue to stay away the authorities and international relief organizations will be forced to keep millions of people alive for the next few years.

"Tens of thousands of people risk dying from starvation due to the drought," states for example Mark Bowden, an Englishman and a representative of the International Union for Child Welfare.

But Shimelis Adigna also seems convinced that such a tremendous catastrophe can be averted, on the condition that the rest of the world contributes extensive aid and that the rains will fall within the next 4 to 5 months.

"I am convinced that we will reach all those who suffer," says Shimelis.

"And if we do not reach them, they will come to us, to our food distribution centers."

Private relief agencies are of the opinion that many have fallen victim to starvation in the home villages, far from the food centers.

But spokesmen for central and local authorities believe that Ethiopia's system of agricultural associations, "village governments," across the entire country,

makes it impossible to conceal extensive death from starvation even in the most remote mountain regions.

Several food distribution centers operate with very small reserves; the supplies of emergency relief are sometimes exhausted before new deliveries have time to arrive. A "hand to mouth" situation is usually the rule rather than the exception.

There are also conspicuous bottlenecks and poor coordination. Most serious is not the lack of food but the lack of capacity regarding Ethiopia's ports and transports. The total amount of food needed by Ethiopia from outside just now is 800,000 tons per year, but the transportation system can only "swallow" 300,000 tons. Ethiopia is also a mountainous country with difficult access, a sparse network of roads and not much more than cowpaths to remote regions. The majority of the population lives several days' walk from the major highways.

"Our costs for transportation are often two-three times more than the value of the food we bring to those in need," says the head of the emergency relief commission, Simelis.

"Sometimes we need more trucks and fuel than foodstuffs."

Destitute

In the areas of the Wollo and Gondar regions which are hardest hit, people are literally destitute.

Their soil is dried out, overworked and depleted, it can no longer provide harvests for generations to come. The cattle have either died or been sold.

Houses and huts have been burned to provide heat and fuel at these high plateaus 3-4,000 meters above sea level. People have no homes to return to.

At the same time the emergency relief commission does not want to make the food distribution centers permanent; no barracks are built for the unfortunate people at Korem, for example, where as many as 30,000 people have been forced to sleep out in the cold of the night, on the bare ground under the open sky. Barracks construction is left to voluntary organizations, such as the Catholic Church of Ethiopia.

Epidemics

"Of two evil things we choose the less evil," says Melaku Atraga, head of the relief commission in the Wollo region.

"Our effort is for people to come and get their food rations and then return to their home villages. Large concentrations of undernourished people with low resistance can lead epidemics, illnesses and deaths not directly resulting from the starvation condition."

The inevitable impression is that the central Ethiopian relief organizations are being too hopeful that "normal rains" will fall in June-July this year, and afterwards give people and cattle new hope for harvests and pasturage.

This wishful thinking is dangerous.

Rerouting of Shipments Rumored

Stockholm DAGENS NYHETER in Swedish 29 Mar 83 p 12

[Article by Anders Johansson: "Rumors About Aid: Grain to the Soviet Union and to the Military"]

[Text] Addis Ababa, March--International emergency relief to Ethiopia's starving people is being rerouted to the nation's military forces and to the Soviet Union as payment for weapons deliveries, states the respected British Sunday paper SUNDAY TIMES in a big article.

Diplomats and international relief workers in Addis Ababa do not exclude that supplies intended for the civilian population sometimes end up in the Ethiopian Army. But few believe that relief shipments are sent on to the Soviet Union. It is not even likely that Ethiopia is paying the Soviet Union for the extensive importation of weapons, a Western diplomat says.

The Soviet military and civilian advisers in Ethiopia are very unpopular and there is widespread popular dissatisfaction over the alliance of the military regime with Moscow. Anti-Soviet rumors abound in Addis Ababa, and one of the most "popular" is that Ethiopia is forced to export teff--the basic food of the country--to Russian vodka factories. But well-informed diplomats reject these allegations as unfounded.

The information in the SUNDAY TIMES comes from an Ethiopian defector and from persons connected with the civilian relief organizations operated by the opposition movements in Eritrea and Tigre. These spokesmen are hardly objective.

But the statements simultaneously reflect concern that the relief shipments are not reaching the civilian population living in guerrilla-controlled areas of Eritrea and Tigre. The latter region--situation between Eritrea and Wollo--is perhaps the worst hit by the drought, but few outside visitors are allowed in.

The Ethiopian relief organization Relief and Rehabilitation Commission (RRC) generally has a good reputation and cooperates closely with organizations such as the Red Cross, the British International Union for Children's welfare, Oxfam, World Vision etc. Sometimes the RRC surely exaggerates the number of people who are suffering in order to mobilize international aid, but its information and statistics are largely accepted.

The commission has grown very rapidly, however, and with 40,000 employees plus half again as many seasonal workers it has become "a state within the state" in Ethiopia. Among other things this has led to poor coordination with other government agencies and also to instances of corruption and embezzlement.

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BOTCHWEY PRESENTS BUDGET STATEMENT; PRESS RESPONDS

Budget Statement Broadcast

AB221024 Accra Domestic Service in English 2040 GMT 21 Apr 83

[Ghana's 1983 budget statement presented to the nation by the secretary for finance and economic planning, Dr Kwesi Botchwey, on 21 April--live or recorded]

[Text] Good evening, fellow countrymen. I have come to the studio this evening, this time to announce to you the financial and monetary arrangements for implementing the Provisional National Defense Council's [PNDC] program for reconstruction and development which was announced in December 1982. The harsh economic conditions which face us today should leave us in no doubt whatsoever that as a nation we have reached a weak or breaking point where we must either apply the most effective and most daring and drastic cure or suffer unavoidable disaster. There is no middle ground. During the past year, we have been able, through more vigilant checks and policy changes, to curb some of the more alarming abuses and wastage in our economy. For instance, in the area of foreign exchange transfers to students studying abroad, investigations have revealed that for a long time, we have been transferring hard-earned foreign exchange to support people who are either not registered in any institutions at all or have long graduated and are working abroad. Some of these so-called students have bought houses and acquired property abroad from the fees and allowances illegally transferred to them abroad or subsequently brought back into the country to be changed on the black market. A diligent scrutiny of individual cases has enabled us to save about $8.75 million per annum. A similar exercise has also enabled us to save roughly the same amount from transfers of foreign exchange for medical treatment abroad mostly by the privileged while the less privileged die in our local hospitals from possibly curable diseases. Another saving of about $6.9 million has been realized from the reduction of the number of staff strength of our foreign missions.

More sacrifices are underway. What they try to show is that there are numerous (?ways) in the system of economic and financial management which must be tried if our economic recovery effort is to achieve the expected results and if the sacrifices that we must all make are to be worthwhile. The working people can hardly be expected to make any further sacrifices if at the end of the day they cannot expect any improvement in [words indistinct] or their living conditions. What is clear, however, is that the improvements in our system

cannot be planned in an ad hoc and unsystematic way. What is required is a complete overhaul of policy in the areas of incomes and pricing, including the pricing of (? foreign exchange) to provide a more permanent disincentive for these abuses. Ghana's exchange rate system has been officially classified as a flexible system since the present cedi-dollar official rate of 2.75 cedis for one U.S. dollar was introduced in August 1978. But in practice, the rate has remained unchanged since that date. Against the background of high inflation rate in the past-1978 period, the (?repayment) of the rigid official dollar rate has resulted in the overvaluation of the cedi against all major currencies. A number of anomalies follow from this overvaluation. Principal among these is the [word indistinct] of large and often illegal untaxed profits of the privileged few who get access to foreign exchange. Meanwhile, exporters who earn foreign exchange from their exports are often starved for cedis because we insist on giving them 2.75 cedis for every dollar they earned from legal exports. The real losers from this exchange rate policy are, of course, those who labor, the underprivileged who have no access to foreign exchange and who at any rate cannot afford it even at the cheap rate of 2.75 cedis to the U.S. dollar. What is more, they must pay prices for finished locally-manufactured goods far in excess of the manufacturer's costs calculated at the cost of foreign exchange to him plus his marginal profit [words indistinct].

[AB221120] The system of bonuses and surcharges which the budget introduces seeks to promote activities in the productive sectors of the economy by conferring on foreign exchange earnings bonuses which are to be financed by surcharges on all users of foreign exchange. In the implementation of the system, all trade and payment transactions are covered and no [word indistinct] will be allowed as to how a particular transaction should be treated, whether by the Department of Customs and Excise or by the banking system. Steps have already been taken to acquaint these agencies with the working of the system. The system has also been simplified as much as possible to ensure maximum administrative efficiency without sacrificing the socioeconomic goals of the program. All transactions in both receipt and payment accounts have accordingly been classified into the eight categories, mainly categories one to seven and a special imports category. Surcharges are to be levied on each category. New surcharges will be collected within the banking system by the particular bank involved in the transaction in line with guidelines that will be issued by the Bank of Ghana. These collections will be promptly surrendered to the Bank of Ghana in a way to be specified in the guidelines to all banks authorized to deal in foreign exchange. For purposes of calculating the surcharges, the existing official rate of exchange of the cedi in relation to the dollar and other currencies remains in force and will be used to determine the face value of all transactions remunerated in foreign exchange.

In accordance with these regulations:

1. A surcharge of 7.5 times the face value of a transaction, that is, the cedi value as calculated at the official rate of exchange, will be charged on all transactions falling under the special imports category; namely, crude oil imports and inputs for the GHAIP [Ghanaian-Italian Petroleum Company] refinery and on all transactions involving socially sensitive imports and official

transactions classified in categories one, two and five. Category one includes most raw materials, day-old chicks, agricultural and horticultural machinery, tractors, etc. and category two includes meat, clinker, packing materials and so on and in category five, we have transfers in respect of official commitments.

2. Transaction involving goods and services classified under categories three, four and seven will attract a surcharge of 9.9 times the face value of the transaction, that is, the cedi value as calculated at the official cedi rate of exchange, while category three includes all nonoil imports of goods currently attracting import duty of 35 percent ad valorem and not included in category two; all nonoil imports of goods currently attracting import duty of 60 percent ad valorem and finally all nonoil imports of goods currently attracting import duty of 100 percent ad valorem. Category four covers all nonoil imports which are currently subject to specific rather than ad valorem import duty and not included elsewhere. Category six covers all transactions in respect of payment of freight and insurance. Category seven covers transactions like the procurement of airline tickets and purchases including new purchases of all machines, transfers on medical expenses, private transfers for educational fees and [words indistinct].

In respect of transactions under category seven, a foreign exchange transfer tax of 5 percent is also payable. The rate for this tax is again the face value of the transaction together with the surcharge.

Bonuses--For the implementation of the bonus system, banks authorized to receive foreign exchange will pay bonuses on any surrendered to them as follows:

1. A bonus of 7.5 times the face value calculated at the official cedi rate of exchange will be applied to foreign exchange received in respect of cocoa, cocoa products, coffee, shea nuts, logs, gold, diamonds, manganese, bauxite, residual oil and electricity.

2. For all other sources of earnings of foreign exchange not included in category one, a bonus equivalent to 9.9 times the face value of foreign exchange surrendered. These sources include export proceeds for manufactured goods, processed timber and [word indistinct] as well as direct transfers of foreign exchange by Ghanaians residing abroad.

[AB221125] The bonus, like the surcharge, is additional to the face value of the foreign exchange transaction. The Bank of Ghana will subsequently refund to the paying bank the full amount of the face value and bonus after an application by the paying bank in accordance with guidelines issued by the central bank.

Taxes and Incomes Policy--Taxing policy has for a long time been a mixture of administered or controlled prices for manufactured goods and market-determined prices for agricultural produce officially supported by minimum guaranteed prices for cereals and cocoa. In the past, (?the forces) of pricing policies have tended to gain with the politics and class structure of the government of the day and the extent of involvement of its collaborators in the lucrative

trade in distribution. The result of this confused state of affairs is that invariably, inflation had tended to be higher in periods when official policy has faded price controls. At the very best, price controls have tended to be a response often cynical and half-hearted to rising prices rather than a consciously-formulated and integral part of overall economic policy which makes possible democratic and popular control over the system of distribution. At the same time, given the weight of local food in official price indices, price developments have been largely a reflection of events in the uncontrolled sector. Consequently, the effectiveness or otherwise of price controls has little relevance to the changes in the overall cost of living as measured by the official price indices.

Thirdly, to the extent that price controls have been effective, this has largely been the case at the factory or wholesale level, and hardly so at the retail level. The cost of living index as a basic [word indistinct] inflation in Ghana however, is a measure of prices at the retail level.

The institutional price controls may become the occasion for these levels of government receipts at least with respect to ad valorem indirect taxes as well as corporate income taxes. This is because even though the controls may in practice be ineffective, the control of prices becomes the official basis for the various taxes. On the other hand, the system of government purchases is such that with or without controls, government expenditures are rapidly inflated by ruling transaction prices. The potential gap thus created between payments and receipts is either closed by new taxes or higher tax rates or by deficit financing. Neither approach to closing the gap has succeeded in restraining further increases in the level of prices.

The underlying principle of the new approach to pricing policy is based on the recognition that there are serious supply bottlenecks, neither laissez-faire market determined prices nor rigid enforcement of prices not related to cost of production is a satisfactory basis for action. A viable pricing policy must be formulated in the context of a systematic elimination of the physical bottlenecks to increase productivity and production together with responsible management of government finances aimed at eliminating the severe imbalances that lead to heavy deficit financing, money printing and debasement of our national currency. In an attempt to tackle production bottlenecks, to raise productivity and production and encourage responsible financial management, pricing policy will now be based on production cost together with appropriate incentive margins. The aim is to evolve a set of competitive price guidelines which, together with supplementary imports especially of food, will moderate the scarcity premium that are responsible for the high retail prices. Under the program, therefore, prices have been determined on the basis of production costs of domestic produce with a margin for incentive. The margin itself should not only provide the necessary incentive, its size should also be in conformity with the overall policy on incomes. Incomes policy seeks to keep a socially acceptable relationship between the various sources of income in the system in relation to their contribution to national welfare. It also seeks to redress the anomalies that exist in the structure of wages. Furthermore, the guidelines on prices and incomes policy to be followed by the Prices and Incomes Board seek to maintain a healthy balance between expected changes in prices and incomes with a view to protecting the real living levels of the mass of our people.

[AB221229] With regard to interest income, the government recognizes the dual objective of providing adequate incentives to savers as well as charging an appropriate price for the use of [word indistinct] to ensure the efficient allocation and use of scarce resources. At the same time, it is also recognized that since interest rates also serve as a source of income, there is need to ensure conformity with the overall goals of justice in income distribution. This not only raises issues with regard to the level and structure of interest rates but levels of taxation and mode of collection. It is not justifiable to collect taxes on some categories of income, especially (?new) incomes automatically through the PAYE [pay-as-you-earn] system while those who do not labor collect gains made by lending their surplus and often illegal incomes free from any tax whatsoever. Any regulation of wages aimed at ensuring price stability is unacceptable to the PNDC if it is not also accompanied by an even more effective restraint on executive salaries, profits and property incomes. Wages cannot be singled out for special attention while the incomes of other classes are left untouched.

Regarding labor remuneration, government policy aims at rationalizing the existing structure and then providing guidelines for adjustments on an annual basis. In the review of the 1981-82 budget, measures were adopted to streamline the haphazard structure of allowances. Although a few cases of grievance have been brought to the attention of the government, the larger aims of that exercise have been achieved. The thrust of the rationalization of basic remuneration, itself an ongoing exercise, is to reduce the glaring instances of inequity between salaries in the civil and public services in the first instance. In this regard, the gross minimum wage has been raised from 3,888 cedis per annum, equivalent to 12 cedis a day, to 6,864 cedis per annum or 21.19 cedis a day. On an annual basis, the new structure for instance is as follows: the junior laborer now gets 6,864 cedis per annum and will be paid within a salary range starting from that figure to 8,711 cedis. The messenger's pay range will now be 6,924 to 8,711 cedis. Typist grade II will now get a beginning pay of 7,224 cedis. This gross pay will be added to the salaries and wages of all officers. In order to preserve the real living standard of pensioners, an appropriate allowance must also be made to cover increases in pension for civilians, the police and the armed forces. The essence of the rationalization exercise is that persons with comparable qualifications and responsibilities should as far as possible receive equal pay no matter where they work. No adjustment is permitted for workers who are already within the adjusted ranges or outside them. Furthermore, boards and corporations are not permitted to effect changes in the structure of salaries without the approval of the PNDC, acting on the advice of the Ministry of Finance and Planning.

No request from any establishment for salary adjustments which will have the effect of creating new or recreating old disparities will be entertained by the Prices and Incomes Board [PIB] in the implementation of the new prices and incomes policy. In furtherance of the above proposals and in line with the aim of the government to preserve the living levels of the mass of our people, the new incomes policy stipulates among other things that in the remaining period of this budget year, given the expected rate of inflation of no more than 20 percent per annum, adjustments in remuneration should be at most 25 percent and in any case, in gross terms, should not exceed 1,720 cedis per annum. The

actual increase within the permitted range will, needless to say, depend on the ability of the establishment to generate the necessary funds without increases in the prices charged for its products or fees or charges for its services beyond the permitted range. In the case of public institutions which receive subventions from the consolidated fund, the further requirement is that permitted increases should not lead to requests for increased subvention.

[AB221314] As a result of the improvement achieved in the management of government finances among others, money supply growth in 1982 was restrained to 23.5 percent. The main objective of the monetary policy is to build on this achievement and to further restrain the growth in money supply to rates consistent with the overall goals of the program while ensuring the flow of adequate credits into the productive sectors of the economy. The objective includes the mobilization of domestic savings and the efficient allocaticn of investible resources through the appropriate manipulation of the interest rate policy. In periods of the high inflation, the government holds the view that it is counterproductive to follow a high and rising interest rate policy as a means of protecting savers from the ravages of inflation with all the consequences that this implies for rational investment decision-making. High interest rates in such an environment may only promote short-term speculative activity rather than long-term productive investments. At present, interest rates and time deposits are between 8 and 9 percent per annum which admittedly is negative in real terms. However, with the success attained in 1982 reducing rate of inflation, deposit rates in real terms are in spite of reductions in the [word indistinct] rates less negative than they have been for several years. In other words, in spite of reduction in interest rates, savers are better protected than before and interest rates are a better guide to the rational allocation of resources for investment than previously. It is the intention of the PNDC to review the situation once the program gets underway with the view to achieving an even more adequate structure of interest rates.

In the meantime, selective and direct controls will continue to be used to keep the expansion of overall credits within acceptable limits and to channel the permissible increase into the various sectors of the economy in line with stated priorities. It is expected that the credit plan to be published by the Bank of Ghana will include an allocation of 1,000 million cedis of the permitted increase in credits to the agricultural sector. In order to ensure that the other productive sectors are not starved of institutional credits, government will further intensify the effort at instilling financial discipline in all institutions that come under the budget and will continue to insist on strict accountability. The deceleration in the rate of inflation recorded in 1982 meant that though prices continue to rise, the rate of increase was not as rapid as had been the case over the last few years.

Although this is a reflection of greater financial discipline, the fact that prices, which were already high, continue tc rise has been a source of concern to the government. A purely monetary solution to the problem of inflation is not satisfactory to a government committed to the improvement in the welfare of the mass of the people. What is envisaged is a combination of monetary restraint and increases in productivity and production which together will ultimately lead to a reduction in the level of prices and not just in the reduction in the rate of price increases.

And now the budget proposals themselves:

First, a review of budgetary performance for calendar 1982. For quite some time now, budgetary deficits have been a major feature of annual budgets, even at the recurrent level. In recent years, these deficits have reached alarming levels. An analysis of the provisional data for calendar 1982 indicates that a significant improvement in budgetary performance as a leading economic indicator, the level of the deficit comes to about 4,040.6 million cedis compared with that of 5,452 million cedis for the period calendar year 1981--a decrease of about 35 percent. [as heard]

Revenue collection showed only a modest increase over that of the previous calendar year. Total receipts amounted to 4,642.5 million cedis compared with that of 4,384.9 million for the previous year, 1981. This poor performance was mainly due to the poor showing of indirect taxes, notably international trade and transactions and taxes on locally manufactured goods.

[AB221339] In direct taxes, despite the reductions in tax rates in 1981, performance by this category was encouraging, recording over 42 percent over the previous year. As against a collection of 1,052.6 million for 1981, the collection for 1982 amounted to 1,502.3 million. The contribution by personal and company taxes came to 440.9 million and 576.1 million respectively. The most remarkable achievement was recorded by self-employed persons who contributed no less than 307 million cedis compared with a meager 52.3 million cedis in 1980 and 127.9 million in 1981--an increase of over 500 percent over the 2-year period. Over the years, the contributions in this category have been very minimal and, as such, the tax burden has been highly (?heaped) against salaried and wage-earning employees. With this performance, the inequity in the distribution of the burden is being removed. It also indicates that the tax payer identification problem is being overcome as with the intensification of tax education, tax consciousness is showing positive signs of improvement.

Indirect taxes cover operations in international trade and transactions and local manufacturing. As a result, its performance is highly influenced by international economic development. For calendar 1982, import duty collection amounted to 457.2 million cedis as against 519 million collected in 1982--a decrease of 7 percent. Special levy contributed 36.3 million while foreign travel and sales tax contributed 23.5 million and 76.6 million respectively.

Excise duty imposed on locally manufactured goods: Despite the generally high inflationary environment coupled with the fact that about 90 percent of the duty is on ad valorem basis, growth of revenue from this source has been sluggish as it has not grown in step with the rate of inflation. Rapid growth in expenditures has been one of the problems which have characterized the budget. Actual expenditures almost invariably have been far in excess of budgetary allocations because of the collapse of fiscal discipline attributed to the previous government's lack of an articulate public expenditure policy. In calendar 1982, a bold attempt was made to reverse this trend as a result of which overall expenditure amounted to only 9,220.1 million cedis. The decline was achieved through a more rational assessment of needs and revenue collection, elimination of waste and all forms of fraud, especially with regard to

ghost workers as well as a more rigid enforcement of expenditure controls. This year ended with a deficit of 4,040.6 million cedis as against 5,452 cedis recorded in 1981--an increase of 45 percent which indicates the extent of the improvement in financial management. It is estimated that during the 12-month period which ended in December 1982, money supply rose by only 23.5 percent compared with 63.5 percent in 1981. Inflation as measured by the Central Bureau of Statistics has also shown a moderating trend but not as much as expected considering the sharp drop in monetary (?expenses). Several factors can be marshalled to explain this phenomenon, namely the artificial scarcity created as a result of the price control exercises, the general supply scheme, the poor harvest and the fact that budgetary performance in the last quarter of 1982 was poor compared with the other quarters.

Fiscal policy and the budget have been formulated with the need for ensuring financial discipline and eliminating the traditional deficit in mind. On the receipt side, the objective is to maximize collections through more effective collection, changes in the basis of taxation and the widening of the tax net. Thus, with the elimination of waste from the system, expenditure will be fully financed in the first instance from current revenues, that is taxes and other levies and secondly by borrowing from domestic noninflationary sources and foreign sources. A major defect in the present tax system is the different bases used for assessing tax liability for different incomes. An employee pays income tax once every year on his income, on his actual income for that year. Corporate income tax liability is, however, assessed on the basis of profits that accrued in the previous year. The majority of self-employed persons including professionals have been, in effect, allowed over the years to escape the discharge of their full tax obligation by simply paying, if at all, the (?single) assessment.

[AB221432] To make tax more responsive to changes in the economy, the basis of all tax assessments is being put on a current year basis. Additionally, effective measures including better tax education of the general public will be taken to bring into the tax paying population the status tax standard assessment. In an economic environment with expanding trial market operations, the huge rents collected by businessmen are used to acquire fiscal assets or properties to the extent that the values are enhanced [words indistinct]. It is deemed justifiable that owners should pay an appropriate tax. In this connection, a net wealth tax is being introduced. Apart from the income redistribution implications of such a policy, it will help to improve in a modest way the government's revenue intake. In view of the conflicts in the provisions of the Rent Tax Decree and the Rent Control Law 1982--PNDC law 5--and in view of the fact that an additional tax burden would be imposed on building properties because of the introduction of the wealth tax, it has been decided that:

1. The 50 percent tax paid under Section 1 of the Rent Control Law 1982--PNDC Law 5--should be credited to assessments made under the Rent Tax Decree. The Rent Tax Decree is also being amended so that the rent tax rate should correspond as far as possible to the rate applicable to income tax because there is no justification for subjecting incomes from employment and other sources to a higher rate than income from property.

The present import duty rate structure is made up of four rates, namely zero percent, 35 percent, 60 percent and 100 percent. In the absence of effective measures to partially correct some of the distortions in the system, the higher duty rates were introduced in 1981. With the introduction of the banking surcharge and the bonus scheme, it has become necessary to reduce the import duty rates to conform to international practice and our international legal obligations. Under the program, the structure of duty rates would be zero percent, 25 percent and 30 percent. The simplified administrative structure is expected to improve revenue collection at the ports.

Since the exchange rate of the cedi as against the dollar remains at 2.75, the face value of imports is to determine the raising of this rate. But for purposes of [word indistinct] customs duty, import sales tax, purchase tax and so on, the value is computed as the face value CIF [cost, insurance and freight] using 2.75 per U.S. dollar or the equivalent for other foreign currencies plus the banking surcharge appropriate to the category of import. In the area of known tax revenues relating to charges and levies for various services performed by such government institutions as the hospitals, the police, the passport office, mines, Department of Parks and Gardens and so on. With respect to medical services, the rate and adequacy of government revenues in general and the extremely low fees charged in government hospitals have denied these institutions of the facilities, tools, equipment and so on that are needed to keep them going and to enable them to provide the services intended for the masses of our people. It is therefore felt that to enable improvement to be made to bring government medical services to a comparable level to that offered in the private clinics but without exorbitant charges which have put good medical care out of the reach of all but a few, modest increases in fees are warranted. It is expected that in this way, enough resources can be mobilized to equip the general hospitals and clinics and thus make them better able to cater to the medical needs of the greater proportion of the population than at present.

[AB221726] The new surcharges constitute a tax on the use of foreign exchange and therefore expenditures on goods with high foreign exchange contents will have to (?be retrieved). But at the same time, they serve to generate revenue for more rational development of the production cost. For example, the new prices of maize, sugar and rice last year yielded about 300 million cedis which will now be used to support the mobilization program. The revised prices of selected commodities are as follows:

Rice: The present 650 cedis per bag of 50 kg remains unchanged. Maize: The present 300 cedis for a bag of 50 kg also remains unchanged. Care Free soap: The present price of 30 cedis a bar is reduced to 28.50 cedis. Guardian soap: The dozen price of 6 cedis a cake is reduced to 5.20 cedis. Lux: Super Lux, the dozen price of 6 cedis and 10 pesewas is raised to 7 cedis. Omo, medium size: The dozen price of 5 cedis is raised to 7 cedis, 80 pesewas. Milo tonic food drink: The dozen price of 11 cedis is raised to 39 cedis. The full details of these new prices will be published tomorrow in the papers.

The price of beer goes up from the present 10 cedis per bottle to 20 cedis per large bottle, while Guiness goes up from 7 cedis to 17 cedis a bottle, and cigarettes up from 20 cedis per packet to only 40 cedis a packet. Since

these surcharges constitute a tax on all users of foreign exchange, anybody who chooses to educate a child abroad at annual tuition fee of 4,000 pounds will now have to pay about 200,000 cedis for this privileged child instead of the present 29,700 cedis. At the same time, those who love London so much and must go there regularly will have to pay 41,000 cedis for their Accra-London return economy ticket, instead of the present 6,650 cedis. Similarly, 4,000 pounds in medical fees abroad will now cost 200,000 cedis, instead of the present 29,700 cedis.

Petroleum Products: The prices of petroleum products per gallon are as follows: strong petrol goes up from the present 12.30 cedis to 25,000 cedis [as received]. Regular goes up from the present 11.30 cedis to 21.50 cedis. Gas oil goes up from the present 8.50 cedis to 15.90 cedis. Kerosene goes up from the present 5.00 cedis per gallon to (?14.20) cedis.

Two very important points must be noted about the new prices of petroleum products. The first is that they are sold substantially lower than the actual prices in dollars of fuel in the neighboring countries. In the Ivory Coast, for instance, it is estimated that crude costs about $3.47 while at the low prices in Ghana the price in dollars is $1.62 whilst it is $2.14 in neighboring Togo. The second point to note is that even at the new prices there is still a huge subsidy to oil of 1.5 billion cedis which is clearly intolerable because that is money that we could put into investment.

In order to ensure that the burden of the higher fuel charges is not transferred on to the government, thereby increasing the already high fuel bill of the central government and parastatal organizations, the following directives are to be implemented forthwith: 1. All government-owned vehicles that do not as yet bear the GV, GVA or GGV registration numbers should be so registered within 8 days from today. All cases of noncompliance should be reported by local workers defense committee to the PNDC Secretariat. Defaults will duly be punished. 2. No government vehicles will be allowed on the roads after 1800 on weekdays. 3. No government vehicles will be allowed on the roads at all over the weekends except they are explicitly and expressly permitted to ply the roads by duly authorized persons.

Furthermore, in order to ensure maximum and absolute enforcement of the coupon rationing system, the following directives are hereby issued:

With immediate effect all oil companies will be required to submit returns covering 100 percent of their dealers petrol sales together with ration coupons collected against such sales to the PNDC Secretariat at intervals to be announced by the Ministry of Fuel and Oil. Defaulting oil companies will not be given any more supplies of fuel from the GHAIP [Ghana Italian Petroleum Company] refinery. Additionally, sanctions will be applied to all cases of default.

[AB221905] Central government receipts on current account for 1982 as projected under the program for 1983 [words indistinct] show that taxes on income and property in 1982 stood at 1,502.3 million, while in 1983 they are projected at 2,241.1 million. Recurrent increases are also projected for taxes on international businesses and transactions, taxes on domestic goods and services,

nontax revenues, grants, and so on. The change in the bases of income taxation, the introduction of the net worth tax, the rationalization of worth taxation, and the expected increase in the tempo of economic activities together account for the projected 49 percent increase in taxes on income and property. The new system of bonuses and surcharges is expected to increase the share of government tax in (?compliance) of international trade and transactions. Hitherto, the government and exporters lost considerable revenues to importers and other users of foreign exchange. Thus, whereas not long ago the cocoa sector contributed as much as 40 percent of government revenue, in 1980 virtually no revenue came from that source. In 1981 and 1982, the Cocoa Marketing Board actually incurred large debts in its operation. (?Under the) program, the Cocoa Marketing Board is expected to pay about 20,000 million cedis in tax this financial year. The expected increased flow of imports together with the surcharges will also improve collection of import duties, in spite of the reduction in the rates of duties. An estimated amount of 5,500 million cedis is expected from import duties. The basis of the (?gold export) levy is to be changed to 20 percent of the face value of earnings. Receipts from this source are estimated at 662 million. Altogether, taxes on international trade and transactions are expected to increase from 1,676.4 million in 1982 to 11,118.1 million in 1983.

Taxes on domestic goods and services are the indirect taxes consisting of sale taxes and excise duties. In comparison to 1982, collections in 1983 are expected to be more than double from 1,676.4 million to 3,699.3 million. This is due primarily to the fact that with the larger imports of raw materials and spare parts, and the general improvement in productive infrastructures, productivity and production are expected to increase significantly. The rationalization of the pricing system should also provide a new appropriate base for sales taxes and excise duties. As a result of the modest increases in the various fees and levies for the services provided by government operations, more tax revenues are expected to show a modest increase of about 29 percent from 622.4 million to 800 million.

When account is taken of grants, total receipts on current accounts are expected to increase from 4,622 million in 1982 to a projected 18,188.3 million in this financial year. On counter receipts, the major components are foreign loans, loans to banks, domestic loans, and loans to the banking systems. Capital receipts on foreign loans in 1983 are estimated at 4,198.2 million cedis. The dominant item by far in this category is the supply of crude oil on credit from Libya. Domestic capital receipts of 1,165 million are also envisaged, of which 500 million will represent loans by domestic banks to government, and another 500 million represents the (?loans) from (?foreign organization funds). The other major items here are an amount of 150 million, representing the [word indistinct]. Total capital receipts are therefore estimated at 5,352.2 million cedis. Recurrent expenditure is expected to increase by about 48 percent as a result of the increases in remunerations to employees in the public service, following the rationalization of the structure of basic pay and the increased cost of running the government machinery arising from the systems of bonuses and surcharges. Thus, and by existing policy, the current expenditure for 1983 was projected at 6,854.4 million, thus meeting the adjustments [word indistinct] by the program. This category of expenditure is expected to reach 10,157.6 million.

Development expenditure for 1983 is estimated at 3,100 million cedis. This includes an allocation of 500 million cedis for the mobilization of domestic resources for directly productive and social works. [Words indistinct] are the repayment of principals on foreign and domestic loans which together are estimated at about 3,540 million. Most are allowances for employees and equity on divisions in public ventures. Total public expenditure is thus estimated at 8,104.2 million.

[AB221911] Now, the foreign exchange budget: Foreign exchange earnings for the export of cocoa, including processed products, amounted to $313.5 million; gold, $144 million; diamond, $5.3 million; manganese, $24.8 million; bauxite, $3.3 million; timber, including processed timber, $36.3 million and the main traditional products, including electricity, $51.1 million. The total earnings are expected to be about $518.3 million. In addition to earnings by our shipping lines and airlines, we expect an amount of about $27.9 million. (?Also) receipts in respect of technical assistance and official grants should add another $81.4 million. Altogether, foreign exchange receipts on current account for this year are therefore estimated at $691.6 million. However, on the planning side, the social program this year envisages an expenditure of $1,100 million. Payments in respect of port and (?terminal) expenses of shipping companies and airlines, [words indistinct] technical assistance received in Ghana are estimated at $113.6 million. Interests and other banking charges on loans are expected to total another $45.8 million. So that total payments on current accounts are therefore estimated at $1,252 million. These (?instructions) on current accounts lead on to total payments of $1,262 million as compared to current receipts of $691.6 million imply a deficit in that account of $570.4 million. Furthermore, an amount of $159.5 million will be payable on all credits extended to Ghana by Nigeria and Libya. This, together with the deficit on current account, brings the gap in foreign exchange to $739.9 million, that is the gap in our foreign exchange earnings that we must make in order to support our import program of $1,100 million. This foreign exchange gap is to be filled by an expected surplus of $545.2 million on capital account together with (?price) of the use of the resources to be drawn from IMF. The rest of the resources expected this year from the fund will be used to reduce the arrears of payments on current imports, suppliers' credit and government participation in companies.

A portion of these resources has also been earmarked for improving the working balances of banking system. Ultimately, our aims are: improving Ghana's credit ratings in international banking circles and also to build confidence in foreign investors in our economy. The 5 years on both government and private sector accounts are due to a combination of more effective utilization of existing commitments of loans and aids and also the successful negotiation of more loans for projects. These include the [word indistinct] export rehabilitation loan and the crop [word indistinct] loan of about $40 million to be made available by the banks in support of our economic recovery programs.

It also includes a new oil credit facility granted by Libya to cover this year's imports. Net flows of private supplies credit amount to about $200 million. As already stated, this year's import bill is put at $1,100 million.

The following allocations have been made. The export sector is to receive $211 million; agriculture, $67 million; food imports, $65 million; health, $50 million; transportation, including oil, $350 million; education, $20 million; manufacturing, $151 million; transactions, $45 million; and others, $141 million. In spite of the recent reduction in the world market price of crude oil, the foreign exchange outlay in oil continues to be high. Thus out of the total allocation of $350 million for the transportation sector, about $245 million represents the cost and freight of oil.

In view of the present critical food situation, no less than $65 million, almost the equivalent of the allocations for health and education combined, is expected to be spent on the importation of maize, rice, wheat, dried fish and other food items. A slightly higher amount has been earmarked for the agricultural sector. The manufacturing sector has been allocated an amount of $151 million and this allocation includes about $50 million for the major revenue earners like the breweries, tobacco and the textiles. It is expected that with the greater provision of raw materials and spare parts, capacity utilization should increase from the present record low to about 50 percent. This should serve to increase productivity and production as well as reduce the low costs of production. The allocation for the health sector covers direct imports of drugs and dressing as well as the raw materials and spare parts for requirements of the manufacturers for the health sector, including GIHOC [Ghana Industrial Holding Corporation] pharmaceuticals.

[AB221930] The PNDC is aware of the acute supply situation and in order to improve this, immediate orders have been placed as part of the import program for various foods and essential items amounting to about $43 million, which should be arriving in the country shortly. These items include 30,000 metric tons of maize, 12,000 metric tons of rice, 20,000 metric tons of sugar, 25,000 metric tons of wheat, 2,000 tons of meat and 6,000 tons of fish. Other items are raw materials for production of soap, machetes, dry cell batteries and tire tubes, fishing gear and packaging materials. In addition to these, the Ghana National Procurement Agency has taken delivery of 17,800 metric tons of yellow maize for the poultry sector.

Other policy issues: First the treatment of the 50 cedi notes withdrawn from circulation early in 1982. 1) All amounts between 50 to 500 cedis are to be refunded. 2) For the remainder, two separate stocks are to be issued by the Ghana to replace the slips being held by the affected persons: a) Amounts between 550 to 1,000 will attract 6 percent interest for stocks of 5 years maturity, not redeemable before the 4th year. b) Amounts of 1,001 and above: 6 percent stocks of 10 years maturity, not redeemable before the 6th year. On the freezing of bank balances exceeding 50,000, the freezing of bank balances in excess of this sum and the vetting by the Citizens' Vetting Committee [CVC] is only related to balances which exceeded 50,000 cedis as of 31 December 1981. Such persons, that is persons falling in this category, are now required to obtain proper tax assessments from the commissioner of income tax to enable their accounts to be defrozen once they have been certified, once they have presented certified tax payment receipts to the assets defreezing subcommittee in the Central Revenue Department, and not the CVC. Persons whose bank balances did not exceed 50,000 cedis as of 31 December 1981

are not affected and are under no obligation to submit themselves for vetting if and when their balances exceed 50,000 cedis. They are accountable only to the Central Revenue Department for their normal tax liabilities.

The Cocoa Marketing Board's loans and refunded debts in the system are to be consolidated at the Bank of Ghana and a stock is to be issued by the bank at 50 percent with 10 years maturity and central payments will be borne by the central government.

These, countrymen, are the major elements of the 1983 budget. Given the real conditions facing us and the unfavorable international environment in which we must launch our program for reconstruction, it will be a singular blindness to pursue a course that would alleviate our crisis today only to intensify it tomorrow. On the other hand, we cannot hope that these budget proposals will by themselves produce the results that we desire. On the contrary, their success will depend on our ability to mobilize all patriotic forces in this country to produce these results. There simply is no other alternative. Thank you and goodnight.

'GHANAIAN TIMES' Asks Debate

AB260833 Accra Domestic Service in English 0700 GMT 26 Apr 83

[Press review]

[Excerpt] The GHANAIAN TIMES writes on the budget. It says most of the proposals are revolutionary and intended to find solutions to the country's problems. However, reactions to the budget, whether informed or uninformed, show that some of the proposals are not appreciated and must be reexamined. In doing this, the paper advises budget officials to lay bare the alternatives that exist and the disadvantages in rejecting the budget proposals. It is the view of this paper that it is the public debate on the budget, the consequences of measures adopted must also be explained to the people [sentence as heard]. Where there are no alternatives to some of the proposals, no matter how harsh, it must be pressed home to the people so as to prevent counterrevolutionaries from taking advantage of such proposals to deceive the people. The TIMES calls on WDC's [Workers Defense Committees], PDC's [People's Defense Committees], the NDC [National Defense Council] and the TUC [Trade Union Congress] to organize the people for a debate on the budget and put forward their views to the government in the spirit of patriotic and revolutionary self-consciousness. The enemies of the revolution want a confrontation over the budget, but workers, progressive students, peasants, soldiers and policemen must not give the enemies any chance.

Budget Implementation Examined

AB240915 Accra Domestic Service in English 1300 GMT 23 Apr 83

[Station commentary]

[Text] As is usually the case after every budget, the subject of discussion everywhere is the economic measures as announced on Thursday. As expected, the surcharges on imports and the resulting sharp increases in the prices of many goods and services, including petroleum products, are the source of concern to many. Indeed this is no ordinary budget. Past governments have not had the courage to deal with the fact that the cedi is overvalued. It is the PNDC's [Provisional National Defense Council] attempt to deal with this in order to revive exports (?that has led) to the surcharges meant to provide a fund for the export bonus scheme. But while the public continues to argue as to the wisdom or desirability of the full extent of the surcharges as announced, this must not be allowed to divert attention from the need for the public to play its part to ensure that the noble objectives of the budget are attained.

In the past at budget time, high prices and taxes are announced. Then governments went to sleep, knowing that the people had no choice but to pay the taxes. Nothing or pretty little was done to check excesses by traders taking advantage of the new measures. But precisely because this year's budget is no ordinary budget, officials should not function as if these are ordinary times. Anyway, the public can insist that this time, things are different. The new transport fares have been published, but their implementation must be monitored by the public and the paid officials so that defaulters may be punished. Goods in the system must be monitored to ensure that they reach consumers direct. Nobody must be allowed to enrich himself anymore by using public goods or resources. Instead of wallowing in its present state of post-budget shock, the public could use this time to scrutinize the budget statement from cover to cover in order that they can all the better follow the course of its implementation.

For example, to avoid waste of fuel, the finance secretary announced that all government vehicles which have not yet been given GV registration should get it before Friday, and no government vehicles should be seen on the roads on weekends except with special permission. We must all see that these are complied with; otherwise we shall be asked to pay more surcharges next year in order to allow a few individuals the stolen advantage of pleasure rides at public expense. The press especially has a crucial role to play. Newsmen must find out every day how the budget is being implemented. If they must picket the offices of certain officials to get the necessary information, they will have to do that. As a first step, the mobilization for increased production must get under way. Those things that can be done without waiting for foreign exchange must be done. Some goods are in the system, from the factories and through imports, using the country's own foreign exchange earnings. These must be seen to be reaching the people through the community shops, as planned. All loopholes must be plugged now.

According to the budget statement, $151 million will be used this year to bring in raw materials and other inputs for the factories. Since this money is part

of the IMF loan already promised, the public expects action in bringing in the goods so that production can be seen to increase at the factories immediately. All these activities should create confidence in the people as to the ability of the budget proposals to solve the country's economic problems.

TUC Seeks Consultations

AB240737 Accra Domestic Service in English 0700 GMT 24 Apr 83

[Text] The Trade Union Congress has observed that the upward adjustment of wages contained in the budget statement presented to the government last Thursday does not fully correspond to the rate of increases in the prices of certain commodities. The TUC therefore called on the PNDC [Provisional National Defense Council] to open consultations with the labor movement to find avenues for minimizing the hardship of the working people. This is contained in a statement issued after the meeting in Accra of the national leadership of the TUC to discuss the budget. The statement said the movement has taken cognizance of the anxiety of workers over the budget but appeals to them to exercise utmost restraint while the TUC leadership engages in consultations with the government on the issue. Workers should not therefore do anything that will jeopardize the long-term goals of their just struggle.

CSO: 3400/1248

PAPERS DISCUSS 1983 BUDGET PROPOSALS

AB271830 Accra Domestic Service in English 1800 GMT 27 Apr 83

[From the press review]

[Excerpts] The dailies--the GHANAIAN TIMES and the PEOPLE'S DAILY GRAPHIC--continue to discuss the 1983 budget. The GRAPHIC confirms that in homes, work places, markets and even on the sidewalks, people are overheard airing their views on the issue. Unfortunately, however, most of these views may never be heard in official circles. The paper is of the opinion that as far as possible, the majority of such views must be made known to the authorities and the public at large to step up the just started educative and explanatory exercise on the subject. It recalls that when the economic recovery program was launched in December 1982, a series of seminars were held on it, and this created a forum for expression of views among the identifiable groups in the country. The GRAPHIC says: the current budget, which is the takeoff point of the recovery program, should therefore be given similar treatment to draw the parameters for effective husbanding of resources and give a clear outlook as to the need to have such a budget at this time. Ghanaians have a rare trait for tolerance if the right conditions are created for it, and this only comes through healthy debate and exchange of views.

The paper is sure that the people's resolve to see Ghana come out of the present woes is solid but the options to achieve this goal must be inculcated in them with convincing exposition of the situation to leave no doubt in the mind that the hard road which has been chosen is the surest way to success. The GRAPHIC believes that at the end of it all, the minds of the people would have been put at ease, their anxieties calmed and fears expelled.

The GHANAIAN TIMES, on its part, says the secretary has explained that of the options available, those contained in the budget proposals are the most realistic for attacking the national economic problems at the roots. This being the case, criticism of the proposals can be useful only if such criticisms come with well-argued alternative proposals to show that other options are not only available, but are also capable of proving viable and advantageous. The TIMES says unless this view of the debate on the budget is taken, it is not going to help the nation or the people just to say the budget is bad without saying how it can be improved.

In the past, budget proposals virtually became law automatically, and the workers and the people had no power to debate them and make alternative suggestions. The revolution has brought a complete change from the bad dictatorial system to a people's government which now gives the people every opportunity not only to criticize government measures, but also to say what, in the people's opinion, should be or should not be. This means that any condemnation of the budget, a mere demand for its withdrawal would be childish and irresponsible if those making such demands cannot put forward alternative proposals that could be examined against the options of the realities of the nation's economic dilemma.

The TIMES says it has minced no words in pointing out that some of the budget proposals have room for improvement, and it has called on the people to prove their desire to help the government by debating the proposals, suggesting alternatives where they think these alternatives are better and then proposing how they will contribute to make the alternative suitable and effective in the light of the expected consequences in adopting such alternatives. In doing all these, the TIMES says it has urged the working class to watch out for any attempt by the usual class enemies to use the budget and the food situation as a platform for intensifying their opposition to the people's government.

CSO: 3400/1303

BRIEFS

NIGERIAN MONEY OFFER REJECTED--In an editorial headlined: "The 10 Kobo Blood Money," the GHANAIAN TIMES comments on the government's statement that it has neither received any part of nor is it interested in the purported Nigerian offer of $1 million to resettle Ghanaians expelled from Nigeria. The paper is happy that the government did not waste time to expose the mischievous lie. The Nigerian Government, it points out, is only attempting to pacify the whole of West Africa it insulted with $1 million which is equivalent to 600,000 naira. According to the paper, this works up to 10 kobo per head for the 6 million Africans it expelled. The whole of West Africa, and not Ghana alone, rejects the offer. It is the view of the TIMES that the question of settlement and compensation for the deportees remain an outstanding issue that must be solved on bilateral basis. The property and other settlement claims of the returnees are too important to ignore. The paper explains that what the PNDC is maintaining is that Ghana does not need charity donations from Nigeria but respect for the legitimate claims of the returnees. It says until the legitimate settlement demands of the 6 million ECOWAS citizens who were expelled are met, the $1 million given to the current chairman of ECOWAS to be distributed among countries whose nationals were affected by the quit order remains blood money. [From the Press Review] [Text] [AB210906 Accra Domestic Service in English 0700 GMT 21 Apr 83]

CSO: 3400/1250

COMMUNIQUE ON FISHING COOPERATION WITH SOVIET UNION

Bissau NO PINTCHA in Portuguese 26 Mar 83 p 3

[Text] The Joint Guinea-Bissau-Soviet Commission on Fishing, which met in Bissau from 11 to 13 March 1983, completed its work by approving measures to make this sector dynamic, thus giving major impetus to cooperation between the two countries.

Consequently, the two parties agreed to continue scientific research on the fishing resources in our economic zone for the 1981-1985 period. Guinea-Bissau technicians will participate in this research work and the application of the data since the conclusions of the studies will be in Portuguese. These documents are the exclusive property of the Republic of Guinea-Bissau and will only be used or made public with the prior approval of the Guinea-Bissau party.

Revision of the Contracts

The commission also analyzed the fishing activities in Guinea-Bissau's exclusive economic zone and proposed that the system for fishing licences be changed to make it uniform. Therefore, a meeting will be held in June 1983 to study and work out a system which will go into effect as of January 1984.

Signed by Flavio Proenca, state secretary for fishing, and by K. Alekseyevich, deputy minister for fishing of the USSR, the document also mentions that new measures were approved to improve the system of paying debts by the joint Guinea-Bissau-Soviet company Estrela do Mar to Sovrybflot. Measures based on setting up an amortization plan were recommended to the Founders' Assembly.

The joint commission then decided to continue revising the contracts linking Estrela do Mar with Soviet companies and a joint technical commission was formed to do this; it is scheduled to begin its work in April 1983.

Training of Personnel

On the training of native personnel, the joint commission urged the students given scholarships to study in the USSR be selected more rigorously, taking into consideration the minimal qualifications required by Soviet educational institutions. It was therefore Estrela do Mar's responsibility to develop a training program and gradually replace foreign technicians with nationals. The Soviet party is making 20 scholarships for mid-level and advanced training available to our government.

The two parties studied the Bolola refrigerator complex completed last year and agreed that the Guinea-Bissau party was responsible as the owner to analyze and make preliminary technical studies about its use and profit-making potential.

Although it was agreed that Estrela do Mar would fulfill its production and financial commitments for the past year, the commission recommended that the parties act to carry out their obligations satisfactorily in order to develop cooperation more fully in the sector.

9479
CSO: 3442/181

BRIEFS

DELEGATION TO FRELIMO CONGRESS--A four-man Malawi delegation led by the governor of the Reserve Bank of Malawi Mr (John Tembo), has gone to Maputo, Mozambique to attend the fourth congress of the FRELIMO Party opening there tomorrow. Speaking on departure at Chileka Airport in Blantyre, Mr (Tembo), who is [a] member of the Central Executive Committee of the Malawi Congress Party, said the delegation was carrying a good will message from the life president to President Samora Machel of Mozambique. [Text] [MB251644 Blantyre Domestic Service in English 1600 GMT 25 Apr 83]

CSO: 3400/1283

CZECHOSLOVAK FOREIGN TRADE MINISTER PAYS VISIT

Bamako L'ESSOR in French 18 Mar 83 p 6

[Article by Mohamed Soudha Yatara: "For a Boost in Bilateral Cooperation"]

[Text] A Czechoslovak delegation headed by Joseph Koci, general director in the Czechoslovak Ministry of Foreign Trade, visited our capital from 15 to 17 March. The delegation also included Prof Stanislav Hradecky, rector of the Prague School of Advanced Economic Studies, and during its stay was received by Oumar Coulibaly, minister of state for economy and planning, and Col Sekou Ly, minister of education.

A working meeting was held in Koulouba on Wednesday, 16 March, with Malian officials. It was presided over by the chief of staff of the minister of state for economy and planning, Abdoulaye Sow, who was aided by technical adviser Abdoulaye Koita.

Speaking first, Sow said that the Socialist Republic of Czechoslovakia is one of the first countries to have signed cooperation agreements with Mali. This cooperation is over 20 years old and has made it possible to maintain fruitful exchanges based on the clearing system (goods for goods).

The development of the economic situation has led both parties to revise the system through the signing of an agreement in 1974, the purpose of which was to give new vigor to commercial trade.

Today, Sow said, both countries must extend their cooperation to new domains, particularly projects chosen by our 1981-1985 Five-Year Plan.

In conclusion, the speaker expressed the willingness of the Malian Government to join with Czechoslovakia in examining all possibilities of action in the sector of small and medium-size businesses and agroindustry.

"Our presence here is aimed at increasing the volume of trade between our two countries," Joseph Koci emphasized. "Czechoslovakia has a wide range of products that it can export to Mali. It is also interested in participating in the equipping of some enterprises and technical training institutes," Koci concluded.

The working meeting resulted in the signing of documents by both parties.

11,464
CSO: 3419/755

AGREEMENT WITH FRENCH AGENCY ON DIAMOND, GOLD MINING

Bamako L'ESSOR in French 23 Mar 83 p 6

[Article by Malick Kante]

[Text] There was reason for geology and mining experts to be enthusiastic Monday afternoon at the Hotel de l'Amitie, where two agreements on gold and diamond mining had just been signed.

The first was signed by Mali, represented by Robert Tieble N'daw, minister of energy and mining, seconded by Cheick Diallo, general director of geology and mining, and the Geological and Mineral Prospecting Office (BRGM) of France, a national industrial and commercial establishment with headquarters in Paris. The BRGM was legally represented by general director Paul H. Bourrelier, who was accompanied by his close aides.

Henceforth, the two parties will be partners in the Mining Prospecting Union in Mali, whose purpose is to do research in and prospect for gold, tungsten, tin, copper, silver, lead and zinc in Mali. If successful, the agreement provides for development on the basis and following the adoption of a feasibility report. It is the Kangaba-Kenieba permit of December 1980, granted to Mali and the BRGM, which enabled the Union to do its first work within the exclusive prospecting permit valid for the ores named.

In addition, the second agreement, signed by Mali, the BRGM and MINERSA [expansion unknown] (formerly the SMPM [expansion unknown]), a limited liability company of the COGEMA [General Nuclear Materials Company] consortium whose main office is in Velizy, France, stipulates that together, the parties will proceed to do exploratory and development work. Regarding operations, it is the work done between the beginning of research and the discovery of signs that justify hope of discovering a deposit. With respect to development, it is the agreement specifies the work which, based on recognized signs, makes it possible to show the existence of a deposit, its geometry, its surroundings, tonnage, content and operating conditions.

Already on 26 June 1979, Mali, the BRGM and the SMPM (now MINERSA) had set up a company called the Diamond Prospecting Union of Mali. Its purpose was exploration and prospecting for diamond deposits in Mali and in case of success, their mining on the basis and following adoption of a feasibility report.

Emphasizing the importance of the ceremony, N'daw said that "this signing will go down in our country's history, a forerunner to the mining of such deposits. French-Malian work in the Kenieba region has led to very conclusive results regarding gold. This agreements conclude our agreements and show that it is by working together in the field that we shall develop the economic and financial capabilities of our two countries."

For his part, Bourrelier expressed satisfaction over the mining discoveries in the Kenieba region and hoped that they would soon benefit the population. "That is why we are now thinking that modern mining will contribute to the decisive development of the Faleme shores, whose natural resources are very remarkable in West Africa. We are very happy with the signing of these agreements, which are also an incentive to move forward. It joings the encouragement provided by the natural conditions of the western region of the country."

11,464
CSO: 3419/755

COOPERATION WITH SOVIET WOMEN OUTLINED

Bamako L'ESSOR in French 21 Mar 83 p 3

[Article from CESIRI Supplement]

[Text] On the eve of 8 March, International Women's Day, Mrs Zinaida Fedorova, secretary of the Soviet Women's Committee, extended best wishes to the National Union of Malian Women (UNFM) and Malian women in the difficult battle they are waging on behalf of development efforts, social justice, prosperity and peace.

Traditional relations of friendship and vigorous cooperation "exist between the Soviet Women's Committee and the National Union of Malian Women," Fedorova said. These relations develop and grow stronger every day and are expressed through the exchange of delegations and information.

Committed to the battle for women's advancement, the National Union of Malian Women enjoys the aid of the Soviet Women's Committee.

In fact, for several years the Committee has provided scholarships to young Malian women wishing to complete their high school or university education in the Soviet Union.

Nor are Soviet women unaware of the participation of Malian women in the conquest and consolidation of their country's independence, their contribution to the construction of an independent and planned national economy.

The success won by the UNFM is proof of the presence and choice place which the Malian woman occupies in her country. It is proof of the confidence which authorities have in her.

One can see this at all levels, whether it be a question of the Central Executive Bureau of the party, the government, National Assembly or national companies. One would therefore not be wrong in stating that the Malian woman is integrated into the development process of Mali.

The UNFM's activities are not limited to Mali. In Africa, one will recall the positive contribution of the UNFM to the establishment of the Pan African Women's Organization.

It lends its support to national liberation movements and condemns and fights colonialism, imperialism and racism.

In other words, the views of the UNFM and the Soviet Women's Committee are the same.

Both organizations are motivated by the same determination to fight the evils afflicting society and are committed to the defense of peace and security in the world. Together we shall fight the frantic arms race and the outbreak of a global conflict.

11,464
CSO: 3419/755

SWAPO REPORTEDLY KILLS THREE CIVILIANS

MB271216 Johannesburg SAPA in English 1148 GMT 27 Apr 83

[Text] Windhoek, 27 Apr, SAPA--SWAPO terrorists killed three civilians in separate incidents in northern SWA/Namibia at the weekend, the SWA Territory Force [SWATF] said in Windhoek today.

A group of SWAPO terrorists arrived at a kraal south of Tsandi in western Ovambo on Sunday and called the owner outside where they bayonetted him to death.

In another incident, terrorists killed a school principal at Nkandi in western Ovambo and took his radio and wristwatch.

At Endola, immediately north of Oshakati, two SWAPO terrorists shot a woman in the back. She had tried to run away from them after they had called out to her.

The SWATF said there had been no apparent reasons for the killings.

CSO: 3400/1302

JUDGE CLAIMS LAW BEING FLOUTED BY POLICE OFFICIALS

Enugu DAILY STAR in English 30 Mar 83 p 1

[Article by Godwin Anyanwu]

[Text] The former Commissioner of Police in Anambra State, Mr Bishop Eyitene, and four of his officers have now for the ninth time, flouted the order of an Enugu High Court to appear before it to answer charges against them.

When the case came up for hearing last Monday before Justice B. O. Okadigbo, all the accused persons were absent from court.

Reacting to the continued flouting of the order, Justice Okadigbo declared that Nigeria was very sick.

He remarked that if things were normal in the country, the President, the Inspector General of Police and the Police Services Commission could have compelled Mr. Eyitene to obey the orders of the court in order to promote the rule of law.

Justice Okadigbo said he was minded to strike out the case because, continuing with it would amount to giving Mr Eyitene undue publicity.

He observed that from the attitude of Mr Eyitene and the other accused persons towards court order, there was clear conspiracy by powers that be to encourage Mr Eyitene to flout court order.

He disclosed that he had received more than 50 letters from members of the Bar and Bench concerning Mr Eyitene's attitude towards his court, and therefore warned that a day of reckoning would soon come, adding that he had constantly warned against the impending consequences of disobedience to the rule of law and order in the country.

He called on religious leaders and all those who loved peace and order to condemn the rape on the judiciary Mr Eyitene and his masters.

Earlier, the state Attorney General, Mr Rob Iweka, who appeared for the state, reminded the judge that this was the ninth appearance of the case before the court and the seventh since the accused persons were served with the order of the court.

He said that his department had applied all constitutional provisions to bring Mr Eyitene and the other accused persons to court but all had failed.

The Attorney General recalled what transpired in Lagos when a court bailiff went to serve the Inspector General with the order of the court but was barred from doing so, adding that when later the order was posted, the Deputy Inspector General of Police returned it as "unclaimed."

He called on the court to use the Police Services Commission to bring Eyitene to court by invoking section 27 of the Criminal Procedure Law.

Mr Iweka further said that the court would not abdicate its responsibilities by striking out the matter because that would mean playing into the hands of the temporary powers.

He further submitted that "the wheel of justice may grind slowly but must surely complete its objective", adding that "the powers that encourage Mr Eyitene and his men are as guilty as the accused persons."

CSO: 3400/1235

'DAILY STAR' REPORTED NEEDING MONEY TO SURVIVE

Anambra Assembly Discussion

Enugu DAILY STAR in English 5 Apr 83 p 1

[Article by John Nwosu]

[Text] The chairman of Budget and Budget Implementation Committee of the Anambra State Assembly, Mr Fidelis N. Okoye, has suggested a minimum of ₦15 million for the Star Printing and Publishing Company Limited, Publishers of the DAILY and WEEKLY STAR.

Mr Okoye whose committee is now working on the 1983 Appropriation Bill, told me that he had "always had a soft spot for the Star Group of papers since the days of the NIGERIAN OUTLOOK, THE RENAISSANCE, and the STAR".

He said that the STAR "has a chequered history", adding that "for it to be redeemed, it needs serious funding, not just this chicken fee of half a million or ₦200,000".

Defending his ₦15m proposal for the Star Group, Mr Okoye who represents Anambra Central Constituency said that at least it would be used to recoup all outstanding debts and leave about ₦3 million as its working capital while the rest would be invested on modern machinery for better production.

He predicted that if this was done, the Star Printing and Publishing Company would rival other national dailies in the country.

He regretted that the STAR had not had enough working capital "either through the fault of its directors as a result of mismanagement or as a result of political interference".

Mr Okoye recalled that for the past three years, the STAR had been operating at a successive loss of not less than ₦3 million simply because "you have people there who shouldn't be there".

Apart from that, he said, the company's overheads were loaded, adding that if it was run as a proper venture, it would pay its way.

"Give me the STAR today and in six months I turn it into a paying concern because I will get rid of those I don't want, but for political reasons, the government accommodates them", the legislator observed.

Mr Okoye said that anything below N15 million would not help the STAR because such small amount would only meet part of the debt and not revitalise the company's working capital.

He pointed out that as of now, the STAR cannot buy a tissue paper on credit.

"If two or three creditors team up and bring a petition for winding up in the court, that paper will sail through because the company can't pay its debt as and when due."

'Good' Journalists Said Quitting

Enugu DAILY STAR in English 5 Apr 83 p 1

[Text] The mass exodus of good newspaper men from the Star Publishing and Printing Company Limited, Printers and Publishers of the DAILY STAR and the WEEKLY STAR to other news media has been causing much concern to the Anambra State Assembly.

Dropping this hint while speaking to me in an interview in his office, the chairman of Budget and Budget Implementation Committee of the House, Mr Fidelis Okoye, said the exodus was not entirely the fault of such workers, but was as a result of frustration brought about by poor financing.

He said: "This 10k, 50k subvention will never salvage their problem and I am sad because you find excellent newspaper men passing through the company out of sheer frustration, they leave and you see them surfacing in another newspaper doing well".

He suggested that the best way of helping the company out of its present problem was to give it enough bank loan which the government must guarantee.

Mr Okoye believed that unless this was done, "the chairman or the managing director" would not be serious.

He said that only approval of bank loan would make the board of the company sit up and understand that "you cannot just employ somebody because he is a legislator's cousin or brother, manager's housewife."

Mr Okoye emphasised that employment must only be on the basis of need.

He therefore called on the board of the company to resist any undue influence which would make them employ staff they did not want.

He assured that the House of Assembly would come to the board's aid if anybody harassed it.

Mr Okoye however commended the company for the recent commissioning of an exercise book making machine which was established at its Uwani branch office.

He described the venture as a major break-through in marketing.

He observed that if properly utilised, the new machine would generate fund for the company and called on the government as well as government owned companies and educational institutions to patronise the company.

Meanwhile, the State Assembly is expected to resume sitting today after a three-week working break to educate the electorate on the recently concluded claims and objections exercise.

CSO: 3400/1235

THOSE ALLOCATED LAND IN ABUJA TOLD TO DEVELOP IT OR LOSE IT

Lagos DAILY TIMES in English 4 Apr 83 p 1

[Article by Muhammadu Musa]

[Text] ALL those allocated plots for whatever purpose in the first phase in the new Federal Capital Territory, have been warned to ensure that such plots were fully developed within two years or forfeit them to more interested and serious applicants. The authority is now about to progress into phase two.

In his special exclusive one hour interview granted to the "Daily Times" in Abuja, the minister incharge of the FCDA, Alhaji Iro Dan Musa reiterated his authority's pledge to the conclusion of development works and subsequent movement into erection in phase one by the year 1986.

He emphasised, however, that the place covered only the Federal Government's portion of the exercise.

The minister told the "Daily Times" that arrangement had been completed by the FCDA to award contracts for the provision of essential infrastructures to all the nooks and corners of development zone with a view to enabling those allocated plots to have easier access to them.

Owing to the current financial constraint, he said, it would not be possible for the FCDA to guarantee the provision of supply of all the facilities and amenities planned for the affected areas at the present time.

Alhaji Iro also disclosed that the present occupation of the FCDA was no longer on contract award, but on the successful take off of the subsequent early completion of all awarded contracts.

The minister said he was neither impressed nor happy with the level of performances of some Nigerian contractors currently handling development works at the Abuja Federal Capital Territory.

CSO: 3400/1238

POLITICAL VIOLENCE NOTED IN KANO

Party Clash Kills Five

Lagos DAILY TIMES in English 23 Mar 83 p 1

[Article by Ide Eguabor]

[Text] At least five persons lost their lives while several others are lying critically ill at various hospitals in Kano municipality following a violent clash of NPN and PRP supporters in Kano last Sunday.

Several conflicting reports of what actually led to the outbreak of the violence have since been advanced.

But the "DAILY TIMES" understood that the clash was triggered off when a motor cade of PRP supporters to a rally at which the party's governorship candidate, Senator Sabo Bakin Zuwo, was to be presented to the people of the state met with NPN supporters heading for an unknown destination.

According to reports, hell was let loose as opposing supporters launched attack on one another.

Cutlasses, daggers, bows and arrows were freely used in a situation that left the police completely stunned.

The clash, which happened around Gidan Murtala, was said to have quickly spread to the surrounding neighbourhood as the houses of the non party supporters became targets.

A team of anti-riot policemen drafted to the scene subsequently dispersed the rioters with several cannisters of teargas while several arrests were made.

The PRP leader, Malam Aminu Kano, while addressing the rally condemned the intolerance of some party supporters whom he said overzealously pursued the doctrine of their party.

The police, it was further understood, are investigating the incident.

Damage Done, Guard Injured

Lagos DAILY TIMES in English 8 Apr 83 p 24

[Text] KANO witnessed yet another spate of political clash yesterday when party supporters claiming to belong to a faction of the party went on rampage.

It was impossible to ascertain to which faction the rioters belonged because their targets involved both sides of the quarrel.

Trouble started on Monday afternoon when some supporters in several bus loads and armed with offensive weapons drove to the NPN headquarters and wrecked the buildings, destroying vehicles, windows and doors.

Thereafter the convoy, brandishing their knives, broken bottles and cutlasses drove to the office of the party's governorship candidate, Alhaji Aminu Wali, attacked the guards on duty, seriously injuring one and extensively damaging the building.

At the personal office of the presidential liaison officer for Kano State, Alhaji Mohammed Maude, several arrows were fired by the rioters, but no one was hurt.

Not contented with the extent of havoc they had perpetrated, the supporters drove to the house of Alhaji Maitama Bello, the Minister of Commerce, attacked and wounded a guard before a unit of the mobile Police Force intervened.

The Daily Times gathered that leaders of both factions were holding one another responsible for the rampage.

Meanwhile, hundreds of anti-riot and mobile policemen are keeping vigil in the affected areas while 41 persons have so far been arrested by the police.

CSO: 3400/1238

PAPERS WELCOME AL-QADHDHAFI, INVESTIGATION OF CIA

AB261306 Lagos Domestic Service in English 1200 GMT 26 Apr 83

[From the Press Review]

[Excerpts] The NEW NIGERIAN discusses the visit to Nigeria by the Libyan leader, Col Mu'ammar al-Qadhdhafi. In the view of the paper, both Nigeria and Libya share common aspirations and goals, both domestically and internationally. Citing Libya's vow to eradicate any form of oppression and imperialist influences, the NEW NIGERIAN feels sad indeed about the relations between that country and Nigeria which, it says, cannot be said to be cordial for reasons which are very well known.

But the paper is optimistic that the visit of Colonel al-Qadhdhafi will provide the necessary opportunity for himself and President Shehu Shagari to leave no stone unturned to improve upon relations between their countries. The NEW NIGERIAN declares: Al-Qadhdhafi is a brother and a friend, and it is to be hoped that his visit will be the basis of remarkable improvement in relations between Nigeria and Libya.

Unlike the view expressed by the NEW NIGERIAN, the MORNING FOCUS is left in no doubt that both Nigerian and Libya have participated actively in insuring freedom for the oppressed. The paper enjoins President Shehu Shagari and the Libyan leader currently visiting the country to concentrate on areas of forging ahead in the struggle for the total emancipation of Africa during their talks. The FOCUS welcomes Colonel al-Qadhdhafi and wishes him a happy stay in Nigeria.

The DAILY STAR, in a second editorial, expresses satisfaction with the federal government's action in setting up a tribunal to investigate an alleged plot by the American Central Intelligence Agency, CIA, to subvert Nigeria. Highlighting some of the CIA activities in the international community, the paper points out that the denial of the plot by the U.S. ambassador to Nigeria, Mr Pickering, may not convince many people since, in its words, the notion still holds that ambassadors are sent to tell favorable lies about their countries.

CSO: 3400/1292

NATIONAL ECONOMIC COUNCIL SENDS RECOMMENDATIONS TO SHAGARI

Lagos DAILY TIMES in English 7 Apr 83 p 24

[Text] A committee of experts set up by the National Economic Council (NEC) to take an indepth look at Nigeria's economic situation has come out with a report consisting of a total of 105 far reaching recommendations.

The recommendations have been forwarded to President Shehu Shagari for consideration "since the functions of the (NEC) is advisory."

Vice-President, Dr. Alex Ekwueme, disclosed this in Lagos yesterday while briefing media executives on the state of the nation's economy.

Dr. Ekwueme explained that the recommendations contained short and long term measures to revamp the nation's economy.

He also said some of the recommendations which were examined at last month's meeting of the NEC in Lagos "are controversial while others are not."

He said some of the recommendations include continued membership of Nigeria in OPEC and that countries which have unfavourable trade balances with Nigeria should be made to buy her crude oil.

He stressed the need for states to increase their efforts to generate internal revenue and not to be over dependent on the revenue from the Federal account.

He added: "The 35 per cent revenue allocation to states should not represent their total revenue. They have other means of revenue which they do not want to exploit."

Dr. Ekwueme remarked that the solution to the country's economic problems "is not changing the revenue formula, but finding alternative sources of revenue."

He explained that with the country now earning less from oil, "difficult times lie ahead."

CSO: 3400/1235

QUALITY OF ALADJA STEEL SAID SUPERIOR TO IMPORTED STEEL

Lagos DAILY TIMES in English 4 Apr 83 p 12

[Text] Products of the Delta Steel Company, Ovwian-Aladja are of a more superior quality than most imported steel products.

Disclosing this recently in an interview in Lagos, the general manager of the company, Mr. Fred A. Brume stated that tests carried out on products from the plant by experts, showed that the tensile strength was higher when compared to imported steel.

Mr. Brume said that similar tests on imported steel products, indicated that they were brittle and showed less resistance under low pressures.

He explained that Nigerians now preferred to purchase imported steel products, because they were not at present aware of the superior quality of steel produced at Ovwian-Aladja.

The General Manager expressed the hope that in due course when Nigerians realised that they were buying better quality steel from the plant and at the same time getting better value for their money, they would change their minds and rush for steel produced at Ovwian-Aladja.

On the cost of steel produced locally, Mr. Brume pointed out that if a certain level of fixed cost and staff were to be maintained for a big complex such as the Delta Steel Plant, the less the steel that was produced, the higher the cost per unit of output.

He said that it was therefore the plan of the company to produce more so as to reduce the unit cost.

He advised that Nigerians should exercise patience until there was a suitable condition for production to full capacity.

This, he added, would place the company in a better position to compete with other producers of steel in the world.

Mr. Brume, however, stressed that for any new steel plant anywhere in the world to break even, it must in its initial years be protected by the government.

He said that while the company was making efforts to cut down cost wherever it was possible to produce cheaper steel, it was counting on the Federal Government to protect it.

Sales prices of products from the Delta Steel Plant, the general manager explained, were reasonable and comparable with prices of imported steel products, and there was no basis therefore for Nigerians to be unhappy about the present market prices of locally produced steel.

Commenting on power supply to the steel plant, Mr. Brume said that the national shortage of electricity was seriously affecting production.

The plant, he explained, was presently operating a single arc furnace, out of four arc furnaces even when there was enough power supply.

The general manager, however, said that efforts were being made to accelerate the procurement and instalation of the company's power plant.

On gas supply for production, Mr Brume stated that the plant did not expect to encounter any serious problems with its gas transmission.

CSO: 3400/1235

SHAGARI URGES PLANNING IN SPEECH AT STEEL PLANT OPENING

Lagos DAILY TIMES in English 28 Mar 83 p 1

[Text] PRESIDENT Shehu Shagari said at the week-end that it was not enough to establish steel plants and rolling mills without establishing industries which would use the products of such plants as their basic raw materials.

Declaring open the Jos Steel Rolling Mill, President Shagari said that there was a need for greater co-ordination of activities at the national and state levels in the field of metallurgical development.

He said that the development of steel industries meant the introduction of new technologies and application of new skills and called on the country's engineers to master the skills so as to take over from foreign technical partners.

The President said that the opening of the Jos Steel Rolling Mill was another step towards a technological take-off and that this would continue until the country had attained self-reliance in steel production.

He urged the management of the company to train adequate fire fighting personnel as the nation could no longer "tolerate the vandalism of neglect" that had resulted in the burning of major public buildings.

Earlier, Governor Solomon Lar of Plateau State called on the steel department to evolve an effective system of distributing the company's products by striving to curtail hoarding and inflation.

Governor Lar called on the Federal Government to expedite action on the execution of the second and third stages of the mill in order to meet the growing demand for steel products and to reduce dependence on imported steel.

Also speaking on the occasion, Steel Development Minister, Malam Mamman Ali Makele, said that the steel development projects being executed by the Federal Government were cost-effective.

CSO: 3400/1235

FUEL SCARCITY HITS BAUCHI STATE

Lagos DAILY TIMES in English 6 Apr 83 p 24

[Article by Idohosa Asowata]

[Text] Fuel scarcity has hit Bauchi State capital, paralysing a number of economic activities.

Most of the petrol filling station attendants now idle away while those still with little quantity of fuel are now making brisk business with it.

In many of the petrol stations visited by DAILY TIMES, long queues of vehicles numbering about 500 each were noticed along with motor cyclist scrambling to full their vehicle tanks.

People who came with jerry cans were always driven back by dealers who supervised sales.

One dealer interviewed, Mr. M. S. Abubakar, who owns the National Filling Station on Jos road, disclosed that since a week, he has received only 90,000 litres of fuel for three days as opposed to 60,000 a day received on normal occasions.

Mr. Abubakar would not confirm whether the situation is improving as a result of NNPC calling off their 10 day-old industrial action on March 28.

Meanwhile, taxi drivers in the city are now charging fifty kobo per drop, and the propsective passenger has to haggle for the approved fare of thirty kobo.

CSO: 3400/1235

BRIEFS

CRIME INCREASE IN ABUJA--The large daily influx of Nigerians into Abuja, the new Federal Capital is being watched by a corresponding rise of men of the underworld who are now extending their operations to the territory. As a result, the rate of crime has been on the rise in the territory in recent weeks. The police record of crime review has shown that in 1982, a total of 1,355 cases against 926 in 1981 were recorded. During this period, also, the value of property stolen lost or destroyed when these crimes were committed stood at ₦1.6 million. A police bulletin issued by the command explained that in view of the situation, the command had now adjusted its crime combat strategy. Some of the strategies now include regular vehicle and foot patrols of the territory by three teams of the Federal Highway Patrol stationed between Gwagwalada and Abaji. [Text] [Lagos DAILY TIMES in English 26 Mar 83 p 1]

STRIKING NNPC WORKERS WARNED--"Return to work on or before April 28, this year" was the order the NNPC [Nigerian National Petroleum Company] chairman, Mr. Horatio Agedah has handed down to the striking junior workers of the company. Mr. Agedah told journalists at a press conference in Lagos that he was compelled to give the over 10,000 striking workers a condition because their eight-day-old action (March 19) was illegal and uncalled for. He declared "there is no disagreement between the union and management and no trade dispute had been declared by the NUPENG members, NNPC branch". The NNPC boss warned that the workers would lose their pay for the days they were on strike because their action was contrary to the petroleum production and distribution (anti-sabotage) act number 35 of 1975. He regretted that the action was a pointer to an imminent oil shortage because, according to him, it had reduced supply to the 23 oil depots in the country. Mr. Agedah said his company entered into a two-year accord with the union in February last year where many points were reached and implemented. He added that the senior staff union of the company also made some demands that year and some of them were rejected, resulting into an industrial action in July of the same year. Mr. Agedah said while the board was considering other demands, the workers at the Warri end went "militant" without warning. [Olu Akinboyewa] [Text] [Lagos DAILY TIMES in English 26 Mar 83 p 40]

SHAGARI IMPEACHMENT ACTION DISMISSED--A court action seeking a judicial impeachment of President Shehu Shagari and two others was yesterday dismissed by a Federal High Court. Giving ruling on the issue brought before it by

Professor Ayodele Awojobi, Mr Justice Fred Anyaegbunam noted that the plaintiff's statement of claims did not disclose any course of action against the defendants. Many points, he said in the writ of summons, did not relate to the issue in the statement of claims. Furthermore in his ruling, the judge stated that with the provisions of section 132 of the constitution, the court could not compel the National Assembly or direct it on what laws and actions it should take. This he said would be a "naked usurpation" of the powers of the National Assembly. He stated that it was only the National Assembly which could impeach the President or set in motion an exercise of such. "The court will not interfere with the internal proceedings of the National Assembly so long as it complies with the provisions of the constitution" he added. [Dupe Osibeluwo and Frank Akinola] [Excerpt] [Lagos DAILY TIMES in English 29 Mar 83 pp 1, 5]

TRAFFIC IN LIVE AMMUNITION--A trailer carrying about 7,000 rounds of live ammunition has been arrested in a police check point in Abakaliki, Anambra State. Sources told the DAILY TIMES that the vehicle with registration No. LA7379FA was travelling from Port Harcourt wharf, in the Rivers State, to unidentified destination up country. According to reliable sources the occupants of the trailer had tried to avoid police search by claiming that they were carrying agricultural equipment. But the vigilant police men insisted on doing their job no matter what. When the vehicle was searched, the live ammunition was found including some agricultural equipment. Both the vehicle and three suspects have been sent to Enugu state CID for further investigation and action. When contacted, a divisional police officer, (DPO) for Abakaliki, Mr D. G. Ewudi, said 'if you want anything about this case go to the police public relations officer in Enugu.' [Text] [Lagos DAILY TIMES in English 5 Apr 83 p 32]

HAUSA-CHINESE DICTIONARY--The Dictionary of Hausa and Chinese Language is now in the making. This literary development, it was disclosed, would enhance a cultural relationship between Nigeria and Peoples Republic of China. The Chinese Ambassador to Nigeria, His Excellency, Mr. Lei Yang who made this disclosure in Zaria said Hausa Language has been adopted as one of the formal languages in China. He was speaking as a special guest of Honour at the Chinese Book Exhibition Fair at the Ahmadu Bello University Bookshop. In his address, the Vice Chancellor of the Institution, Professor Ango Abdullahi expressed the opinion that exchange of cultural ideas would help enrich choice in academic pursuit especially in the field of Medicine, Engineering, Environmental Studies and Agriculture. However, the Chinese Ambassador urged the University authority to make opportunities available for the absorption of Chinese Students to train as Hausa Language students. He later made a donation of assorted books to the University Library. [Ambrose Bob-Manuel] [Text] [Lagos DAILY TIMES in English 8 Apr 83 p 7]

CUSTOMS JOBS 'FOR SALE'--A big racket is now raging in the Department of Customs and Excise. In order to secure a job in any of the Divisions of the Department, amounts ranging from N300.00 to N500.00 are being demanded from job seekers. The only condition whereby a job seeker may not pay the demanded bribe is only if he has the backing of a strong enough godfather. Yet, inspite of this high price, a lot of young Nigerians are still rushing desperately for jobs with the Department. For instance, investigations conducted into affairs in the Customs revealed that out of more than 6,000 people who were interviewed for jobs last December, only 75 persons have been offered jobs. However, up till last weekend, more than 500 people beseige the Customs offices in Lagos everyday to find out what would be the final fate of their applications. One of the anxious applicants, Felix Idubor, when interviewed said: "My people who have raised support for me in search of the Customs job are now worried that I may not get the job afterall. "How then would I be able to pay back the loans that was raised for me if eventually I am not employed here". When contacted over the issue, the Public Relations Officer of the Department of Customs and Excise, Mr. Akpleshi said that he was not aware that anyone is being forced to pay bribe before being given a job. [Article by Lambert Ezioha] [Text] [Lagos MORNING FOCUS in English 28 Feb 83 p 1]

CSO: 3400/1231

SOUTH AFRICAN ATTEMPTS TO DESTABILIZE NEIGHBORING REGIMES REPORTED

Bonn INFORMATIONSDIENST SUEDLICHES AFRIKA Mar 83 pp 20-21

[Article by Ronald Meinardus: "Pretoria's Long Arm--Successes of Destabilization Policies Against Angola and Mozambique"]

[Text] The use of military power, and systematic attempts to destablize the front-line states, have been for years a constant factor of Pretoria's African policy. Aim of the South African forward strategy is the creation of a zone in Southern Africa dominated by Pretoria politically, economically, and not lastly, militarily: in this manner, the whole region is to be neutralized in the South African liberation struggle. To attain this goal, the South African Government follows a two-track strategy. In the first stage, the minority regime tries determinedly to weaken the anti-apartheid neighboring states, and to sabotage systematically their economic and societal development. In the second stage, the South African Government then will force the neighboring states, which are under constant military and economic pressure due to their [South African] destructive activities, to give up, or refrain from, any support for he South African liberation struggle.

The following article is an analysis of the South African efforts--which, lastly, are not unsuccessful--to cut off the strategic hinterland of the SWAPO in Namibia and ANC in South Africa through forceful interference with the neighboring states.

Case in Point: Angola

South Africa's war against Angola is the classic example of military escalation, and at the same time a graphic but also most shocking example of Pretoria's power politics against the independent states of Southern Africa. Although the war in Angola is only indirectly connected with the South African liberation struggle, and it is mostly a case of the future

of Namibia illegally occupied by Pretoria, the development of the conflict demonstrates in an almost exemplary fashion the ruthless determination toward military escalation by the apartheid regime when it comes to maintaining the status quo in Southern Africa.

Ministerial Meeting at Cape Verde Islands

The secret negotiations between Pretoria and Luanda, which became known in mid-December of last year, must be evaluated in the light of South African destabilization and war policies. For the first time since the end of 1980, when South Africans and Angolans met in conjunction with the Geneva conference on Namibia (January 1981), on 7 December 1982 official bilateral talks took place on the Cape Verde island of Sal (1). At the end of January, a second round of negotiations was held at the same place. The highpowered composition of the delegations already demonstrates the political weight of the meeting on the West African island. The Angolan side was represented by the minister of interior, Lieutenant Colonel Alexandre Rodrigues, and Traffic Minister Faustino Muteka. Pretoria sent Foreign Minister Roelof Botha and Interior Minister Frederick de Klerk. A sure indication of the probable contents of the talks is the inclusion of Magnus Malan, South African defense minister, in the Pretorian delegation (2). However, both sides so far gave only very sparse details about contents and result of the talks so that respective press reports are purely of a speculative nature and must be taken with great reservations. This holds especially true for reports that the conclusion of a truce and the establishment of a demilitarized zone in Southern Angola had been agreed upon (3). For in the meantime, this report has been denied, just as were reports of an upcoming partial withdrawal of South African occupation troops from Namibia, and of Cubans from Angola (4).

The already complicated situation in the Namibia conflict has definitely not become any clearer through the assumption of secret negotiations between Pretoria and Luanda. But one thing can be said with certainty: Angolan readiness to enter into direct negotiations with Pretoria is an obvious sign of an initial success of the South African policy of destabilization and intimidation against the front-line states, and simultaneously a noticeable setback for the Namibian struggle for independence.

After the summit meeting between Prime Minister Botha and Zambian President Kaunda at the end of April last year--richly exploited by South African propaganda--(5), Pretoria succeeded in moving yet another front-line state to negotiations at the ministerial level. Yet the implications of the negotiations on Cape Verde are farther-reaching than the publicity-effective summit meeting between Botha and Kaunda: the makers of African policy in Pretoria not only succeeded in dealing a blow to the boycott policy preached by the OAU, directed against the apartheid republic; of immeasurable greater significance are the effects of the bilateral negotiations between South Africans and Angolans on the further course of the Namibia diplomacy. These secret talks are an added concession to Pretoria: for they mean a "de-internationalization" of the Namibia negotiations. The decisive talks no longer take place within the framework of the United Nations, as provided in the

designated peace plan of Resolution 435 (1978), but are held, over the heads of the United Nations and Namibians, in direct contacts between Pretoria and Luanda, and Washington and Luanda.

Economic Collapse

This turnaround in the Namibia diplomacy has quite emphatically been brought about--better yet: it has bombed into it--through Pretoria's policy of destabilization and military blackmail. The systematic devastation of large areas of the country, and the determined sabotage of the Angolan economy, resulted in the country's present economic ruin. Several hundred thousands of Angolans, because of South African aggressions, are refugees in their own country (6). Parts of Angola continue to be occupied by South African troops, others are being terrorized by UNITA, in bondage to South Africa.

If now, after years of uninterrupted and selfless support of the Namibian independence struggle, voices are heard in Angola supporting direct negotiations with Pretoria, this is further evidence that the country is in dire straits.

"Angolan Conditions" in Mozambique, Also?

Even more surprising than the news of the secret negotiations on Cape Verde was the report on the South African-Mozambiquan ministerial meeting at the border town of Komatipoort in the North of Transvaal. Only a few days after the meeting with the Angolans, Pretoria takes up official contact with another front-line state. The significance of this meeting becomes evident from the fact that this time, Prime Minister P W Botha in person leads the South African delegation in order to present his government's demands to the representatives of Mozambique (among others, Security Minister Jacinto Veloso). Despite this difference in protocol, the highranking government contacts with Luanda and Maputo demonstrate an important common factor: in both cases, the South Africans demand cessation of any and all support for the liberation movements (SWAPO and ANC, respectively) and stress their determination to bring about with force, if necessary, the demanded "good conduct," through escalation of the destabilization policy. As recent months and years have shown, there can be little doubt about Pretoria's readiness to also escalate the confrontation course toward Mozambique, in order to create "Angolan conditions" in the neighboring country to the Northeast, also. The means for military escalation are ready: analogous to UNITA in Angola, with the MNR a reliable and--as it turned out--effective sabotage group was established in Mozambique; the actions of this group, unilaterally dependent on South Africa, are becoming ever more brazen and destructive (7).

Direct Actions

But Pretoria also does not balk at direct military actions in Mozambique. The attack against ANC refugees in Matola in January 1981, and the raid near Namaacha in August of the same year, demonstrate what can be expected if the MNR should some day lose its effectiveness as a means of pressure.

In preparation for this possibility, at the end of November of last year, the large-scale military maneuver of the South African Defense Force (SADF) was held at the Northeast border of the country, in which a conventional attack against Mozambique was practiced (8). Simultaneously, these maneuvers were a part of Pretoria's psychological warfare and an important element of a concerted intimidation strategy against Mozambique. Only a few days after the saber rattling in the Northeast of the Republic of South Africa, Foreign Minister Botha called upon Maputo to resume the bilateral talks which had been broken off since 1981. In a letter to the leadership of FRELIMO, the South Africans also threatened openly that "terror acts by the ANC in South Africa...could, as a consequence, bring about retaliatory strikes by the SADF" (9).

The Komatipoort Meeting

This is also the tenor of the aforementioned ministerial meeting in Komatipoort. Prime Minister Botha demands that Mozambique declare the entire South of the country a prohibited zone for South Africans. Not only ANC members who fled from South Africa, but all refugees from South Africa are to leave Maputo and environs in a northerly direction. According to reports from diplomatic circles, Pretoria is even supposed to have demanded that, in future, it would have a voice in the granting of residence permits for the Mozambiquan capital (10).

To date, there are no further details on the concrete results of the South African-Mozambiquan "dialogue" and the negotiations with Luanda. It must be presumed that the talks between Pretoria and the two frontline states will be continued. In the meantime, the South Africans maintain their military pressure: the MNR--following the pattern proven in Angola--continues its destructive activities.

In a New Year's address, Prime Minister Botha gave a name to the political goal of his military and diplomatic double offensive: conclusion of a nonaggression pact with all neighboring countries and, thus, the military neutralization of Southern Africa in the South African liberation struggle. But Botha's "offer" of a nonagression pact is preposterious, and in its present form and nomenclature, probably unacceptable to any government of the region. All border-crossing military actions in Southern Africa originate solely, and only, in South Africa. The battle of SWAPO in Namibia, and the battle of ANC in South Africa, are carried out exclusively by Namibians and South Africans, respectively. Soldiers from the neighboring countries did not, and do not, participate in these actions.

Pretoria's policy of destabilization and intervention once more reveals that the white minority government in South Africa still seems not to have understood that the main danger threatening the regime does not come from beyond its borders, but from the suppressed black population in the country itself. And it [the latter] will continue its resistance until such time when its cause, the repressive system, has been removed.

18 February 1983

FOOTNOTES

1. Compare details in GUARDIAN, 9 December 1982

2. NEUE ZURCHER ZEITUNG (NZZ), 10 December 1982. "Namibia Round Between Angola and South Africa."

3. FRANKFURTER ALLGEMEINE ZEITUNG (FAZ), 26 January 1983. "Truce Between South Africa and Angola?"

4. TAGESANZEIGER, Zurich 29 January 1983. "Angola; No Agreements with South Africa."

5. Compare f. i., SA DIGEST 1982, Nr. 10

6. Details, INFORMATIONSDIENST SUEDLICHES AFRIKA 1982, Nr. 9/10 pp 5-7

7. Summary on MNR, LE MONDE 31 December 1982

8. INTERNATIONAL HERALD TRIBUNE (IHT), 24 November 1982. "Mozambique Sees S African Attack",

9. GUARDIAN, 6 December 1982

10. Ibid., 11 January 1982. "Mozambique Seeks Help as SA Puts on Pressure"

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CSO: 3420/12

COURT FINDS CAPE TOWN SQUATTERS NOT GUILTY

MB271836 Johannesburg SAPA in English 0902 GMT 27 Apr 83

[Text] Cape Town, 27 Apr, SAPA--There were jubilant scenes yesterday after the mass acquittal of KTC squatters.

The simultaneous discharge from custody of more than 40 adults and about 20 children followed a test case in which the chief superintendent of housing for blacks in the Western Cape, Mr P.U. Schelhase, admitted the available accommodation for legal blacks in the Western Cape was not sufficient.

Mr Schelhase was giving evidence yesterday in the case against Mrs Patricia Stella Nomvula, a person legally qualified to be in the peninsula, who was charged with unlawfully occupying a site other than specified in her permit.

The defence and the state agreed to treat the case as a test case affecting a large number of people in custody.

Mrs Nomvula pleaded not guilty on the grounds that she had not intended breaking the law and that she occupied the site out of necessity. She had been in Cape Town all her life and had nowhere else to go after being evicted in January from the house where she lodged in Guguletu.

The other accused who were released also qualified to be in Cape Town.

The magistrate, Mr W. Fourie, found Mr Schelhase had spoken to the KTC squatters on several occasions. He had told the squatters they were occupying the site illegally but also gave them the impression administration board officials would allow them to be in the area temporarily.

After Mr Schelhase had spoken to the squatters and told them to leave, a statement was made through the media that 2,500 sites would be made available to the people and this was taken by the squatters as a reprieve.

Mr J. Mort, for tha defence, said he thought the basic problem was a lack of communication between the squatters and the authorities.

He said the squatters could have reasonably inferred from the conduct of the administration board that their presence on the site would be tolerated until a solution was found.

It had taken two months since the first meeting between Mr Schelhase and the squatters before the authorities clamped down on legally qualified people squatting on the site.

Raids on the KTC site had until recently been directed at "illegals," he said.

Mr Schelhase told the court he did not decide on raids but has to make personnel available when requested.

He conceded the massive influx of people onto the KTC site in February may have been the result of registered tenants giving notice to lodgers in overcrowded houses after they heard the administration board was conducting a survey at KTC.

After Mrs Nomvula was found not guilty and discharged, the remaining accused were ushered into the court and discharged en masse.

CSO: 3400/1300

SENIOR CIVIL SERVICE POSTS RESHUFFLED

MB271043 Mbabane THE TIMES OF SWAZILAND in English 27 Apr 83 pp 1, 16

[By Mashumi Twala]

[Text] A number of senior civil servants have new jobs as a result of a reshuffle announced yesterday.

Notable among the appointments are those of the Director of Swaziland Broadcasting and Information Service, Mr Joseph Vilakati and the Under Secretary in the Ministry of Commerce, Industry, Mines and Tourism, Mr Amos Kunene.

The two men are to swop their present positions.

The Private Secretary to the Prime Minister, Mr Paul Shabangu has been appointed Under Secretary in the Ministry of Justice.

Mr Vusumuzi Dlamini, an Under Secretary in the Deputy Prime Minister's Office takes over Mr Shabangu's post.

Mr Amos Mbhamali, Deputy Director of the Water and Sewerage Board, has been promoted to Under Secretary in the DPM's Office.

Mr Peter Mthethwa, of the Ministry of Justice has been transferred to Under Secretary in the Cabinet Office, under the Minister Without Portfolio's Office.

Mr Henry Malaza, of the Ministry of Works, Power and Communications has been transferred to Under Secretary in the Ministry of Health.

Mr Almon Mbingo has been promoted to Assistant Director of Establishments and Training in the Directorate of Personnel.

Mr Mbingo becomes the first Swazi to hold this post which has all along been held by an expatriate, Mr Jeff Wood.

Mr Richard Shabalala, Chief Immigration Officer, has become Under Secretary for Agriculture and Cooperatives.

His present post is taken over by Mr David Shongwe.

Mr Phillip Dlamini becomes Deputy Chief Immigration Officer, while Mr Gareth Bhembe, who has been Senior Immigration Officer, moves to Works, Power and Communications as Transport Officer for the Water and Sewerage Board. He is succeeded by Mr Michael Motsa.

The new moves are with immediate effect, the Head of the Civil Service, Mr Shadrack Sibanyoni, announced.

[Mbabane Domestic Television Service in English at 1630 GMT on 26 April 1983 carries a similar report, adding the following two additional appointments: "Mr (Alton J.V. Sithole) has been promoted to the post of deputy secretary in the Civil Service Board office, while Mr Elliot B. Gamedze has been promoted to the post of deputy secretary in the same department."]

CSO: 3400/1301

PAYING DAMAGES TO ASIANS DRIVEN OUT BY AMIN

Paris LE MONDE in French 23 Feb 83 p 6

[Article by Jean-Pierre Langellier: "The Authorities Promise to Pay Damages to the Indo-Pakistani Community Driven Out by Amin "]

[Text] Nairobi--During the night of August 4th, 1972, Idi Amin Dada, dictator and blood-thirsty buffoon, today in exile in Jedda, had an "historic dream": God ordered him to drive the Asian community out of Uganda. This divine decree quickly accomplished took the form of an "economic war", making Uganda, in the words of the tyrant, the "first entirely black state in Africa." Who remembers, except the approximately 50 thousand Indo-Pakistani victims of this collective expulsion which soon ruined the national economy? Stripped of their property, the prosperous grandchildren of the "coolies" who came to build the colonial railroad on the high plateaus of Africa found a welcome in Great Britain and Canada.

Eleven years later, justice is being restored t them. As soon as he returned to power, in December 1980, President Milton C. e committed himself to paying damages to those defrauded in 1972. He kept his promise. According to the terms of a law passed in the Kampala Parliament in September and effective Monday, February 21, those formerly expelled have three months to complete the formalities of indemnification.

If they choose to return to Uganda, the Asians can either recover their property--but on condition that they not resell it before five years--or receive monetary compensation. Several hundred have returned to Kampala since Amin's fall four years ago. The property in question--villas, boutiques or factories--is estimated to represent capital of around 200 million dollars. The new law is hardly appreciated by African businessmen who bought up, often at dirt cheap prices, the inheritance of the exiles, and its application gives promise of many judicial quarrels.

The initiative of the Ugandan government does not stem from pure goodness of heart. Anxious to stimulate the economy, Mr Obote has need of the precious know-how of Asian technicians, notably in the agricultural sector. His gesture should spur the two great Indian families--the Mehtas and the Madhvanis--who not long ago controlled the sugar industry to more intensively rehabilitate their plantations, now that the international community seems

ready to finance rural development programs. A legendary personality, the ancestor of the Madhavnis disembarked in Africa at the turn of the century with a sack of rice on his back and a hankerchief full of rupees in his pocket.

The offer made to the Asians is of limited import, because few of them will return to Uganda. They have probably forgotten neither the difficult conditions of their forced exile nor, above all, the satisfaction of the African little people at the time of their banishment. The harm suffered by their ethnic brothers at the time of the failed putsch in Kenya can only reinforce their prudence and encourage them to definitely turn the page, far from Uganda.

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